

The City of New York
Executive Budget
Fiscal Year 2027

Zohran Kwame Mamdani, Mayor

Mayor's Office of Management and Budget
Sherif Soliman, Director

Message of the Mayor

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May 12, 2026

Message of
the Mayor



THE CITY OF NEW YORK
OFFICE OF THE MAYOR
NEW YORK, NY 10007

To New Yorkers
Members of the City Council
Members of the Financial Control Board

When I took office in January, we uncovered the true scale of the fiscal crisis facing our city. The previous administration had deliberately underbudgeted more than \$12 billion in core services — the programs working New Yorkers rely on every day. As City Comptroller Mark Levine found, the result was the largest budget gap the City has faced since the Great Recession.

For years, New Yorkers were told to accept less: fewer services, longer waits, higher costs and a government that asked working people to sacrifice while asking the wealthiest among us for nothing. We rejected that logic.

Our administration has worked tirelessly to restore honesty, transparency and discipline to the City's budgeting process. After five months of painstaking work, we closed the gap entirely, down to zero.

We launched an unprecedented citywide savings initiative, requiring every City agency, for the first time in our history, to appoint a Chief Savings Officer (CSO). They were tasked with achieving aggressive savings targets. Together, they identified \$1.47 billion in savings initiatives over two years, alongside more than \$300 million in vacancy reductions.

At the same time, we took a serious look at some of the City's fastest-growing costs, including the State's class size mandate, Department of Education due process cases and the CityFHEPS housing voucher program. We believe deeply in these programs and the New Yorkers who depend on them. Our responsibility is to strengthen them for the long term. That's why we're addressing the systemic issues in these programs — without interrupting service delivery — and saving \$1.2 billion in the process.

Even amid these savings and efficiencies, we could not have balanced this budget without partnership from Albany. Governor Kathy Hochul, Majority Leader Andrea Stewart-Cousins and Assembly Speaker Carl Heastie committed additional funding for our city in the form of additional state aid, restored cost shifts, and increased revenues.

In this budget process, we faced a clear choice: continue asking working people to shoulder the burden of austerity, or tax the rich.

We closed the budget gap without raising property taxes on working New Yorkers, and we did so while continuing to invest in the affordable, safe city every New Yorker deserves.

Together with the State, we answered a call New Yorkers have made for years: a tax on the rich. New York's first ever pied-à-terre tax applies to nonresident New Yorkers who own a second home worth more than \$5 million. It will generate \$500 million every year. And, pending approval of the trustees of the city's retirement systems, we will also restructure our pension obligations to achieve savings in each year of the financial plan without touching the benefits of a single retiree.

Through disciplined fiscal management, recurring savings and new revenue streams, we closed the budget gap while replenishing both the Rainy Day Fund and Retiree Health Benefit Trust reserves.

And even in the face of this crisis, we chose to invest in the future of this city.

With an historic \$1.2 billion investment we secured in partnership with Gov. Hochul for universal child care, we will deliver free care to 2-year-olds for the first time in New York City history.

We remain focused on public safety through investments in the first-of-its-kind Office of Community Safety, expanded investigative capacity for the Civilian Complaint Review Board and continued efforts to prevent hate crimes before they occur.

We are expanding special education Pre-K to ensure our early childhood education system is truly inclusive. And we are investing further in NYC Reads and Solves to improve literacy and math outcomes for the youngest New Yorkers.

Housing remains at the center of our affordability agenda because New Yorkers cannot afford another year of half measures in the face of this housing crisis. Our budget includes more than \$22 billion for housing over five years, including \$5.6B for NYCHA, which will help rehabilitate thousands of homes.

This administration is equally focused on improving the safety, accessibility and quality of our streets. We are investing in safer conditions for children by reducing the speed limit to 15 mph at every eligible school location across the five boroughs.

Our libraries, cultural institutions and parks are not luxuries. They are the places where New Yorkers learn, gather, rest and create. This budget baselines additional funding for these important needs, so New Yorkers can count on libraries to stay open, cultural programming that reflects the diversity of our city and parks that remain among the greatest public spaces in the world.

I am proud of what we have accomplished in the first five months of this administration. We have begun the work of making New York City more affordable for everyday people while proving that government can and should work at the same speed as New Yorkers. Because no one should have to wait for safety, dignity or opportunity.

Sincerely,

A handwritten signature in black ink, appearing to read 'ZK Mamdani', written over a horizontal line.

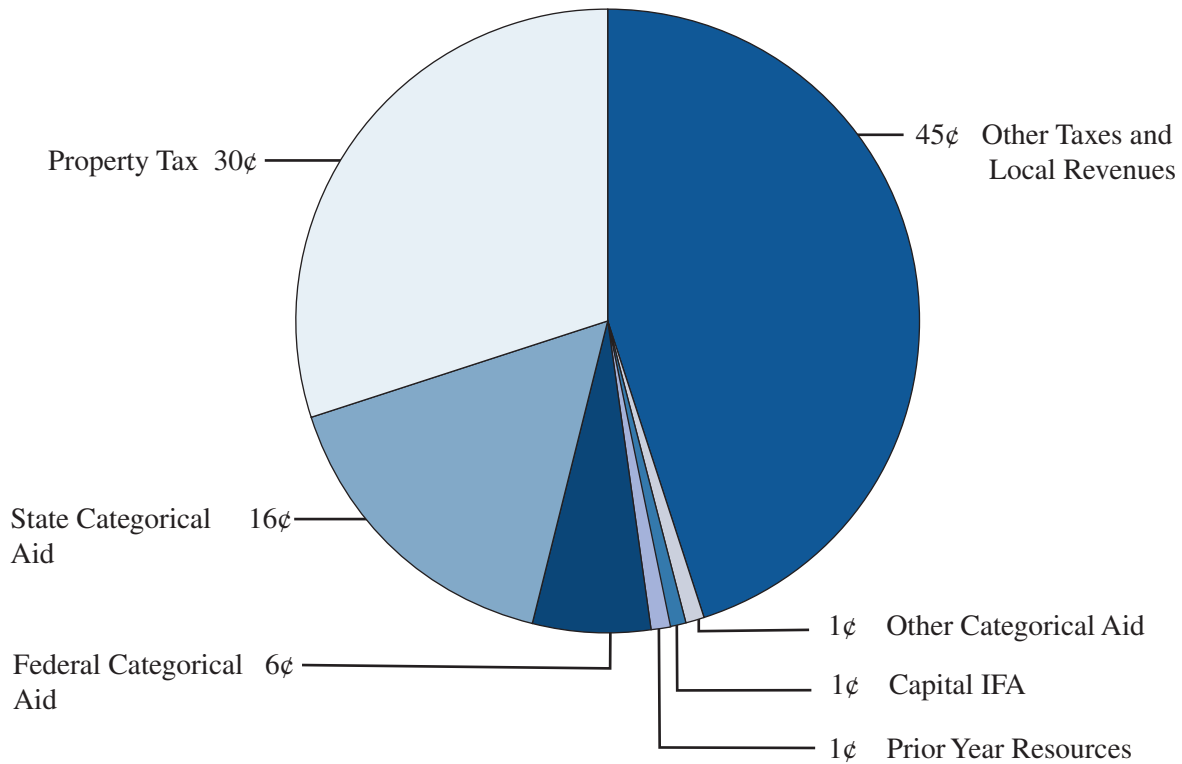
Zohran Kwame Mamdani
Mayor

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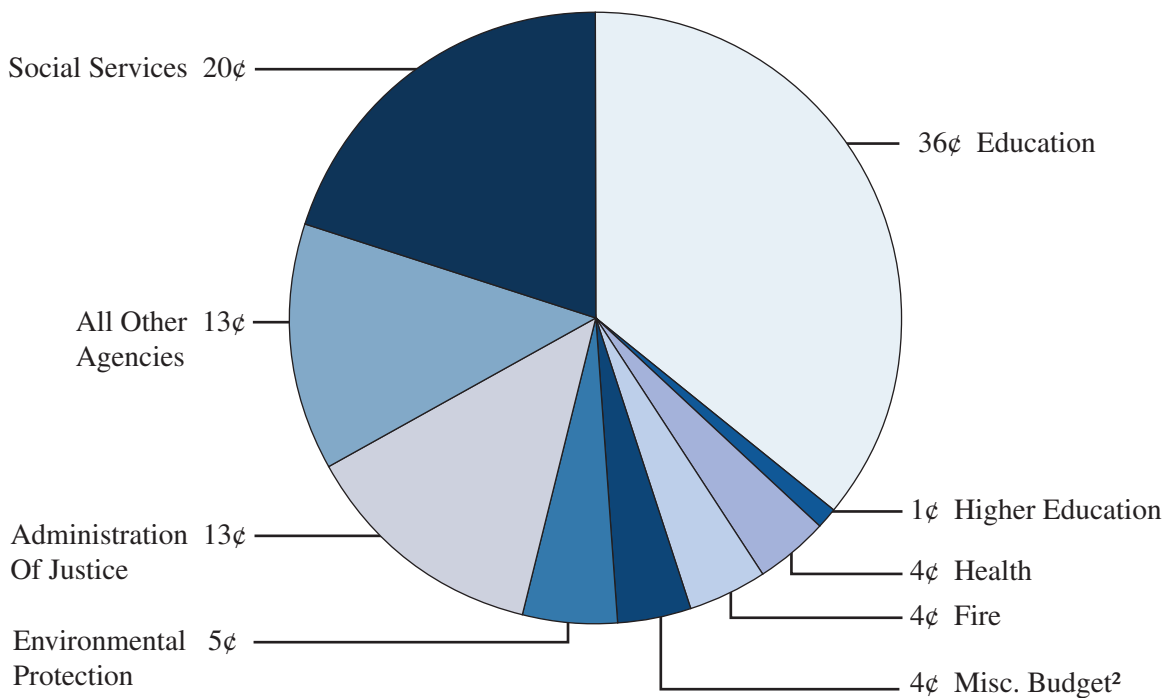
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Budget and Financial Plan Summary

Where the 2027 Dollar Comes From



Where the 2027 Dollar Goes¹



¹ Reflects the allocation of Fringe Benefits, Pensions and Debt Service to the agencies. Excludes the impact of prepayments.

² Includes Labor Reserve, General Reserve, Judgments and Claims, MTA Subsidies and Other Contractual Services.

Source: NYC OMB

BUDGET AND FINANCIAL PLAN OVERVIEW

The Executive Plan sets forth revenues and expenses for Fiscal Years 2026 through 2030.

The Fiscal Year 2027 Executive Budget is \$124.7 billion. This is the forty-seventh consecutive annual budget which is balanced in accordance with Generally Accepted Accounting Principles (GAAP).

Major highlights of the Executive Budget and Financial Plan are:

- Forecast revenues have increased by \$448 million in fiscal year 2026 and decreased by \$2.8 billion, \$2.8 billion, \$2.9 billion, and \$3.0 billion in fiscal years 2027 through 2028, respectively. The changes include tax revenue decrease of \$25 million and \$50 million in fiscal years 2026 and 2027. Tax audit revenue increase of \$100 million and \$50 million in fiscal year 2026 and 2027. A property tax increase reversal of \$3.7 billion, \$3.6 billion, \$3.7 billion and \$3.8 billion in fiscal years 2027 through 2030, respectively. A Pied-a-Terre tax of \$500 million each year for fiscal years 2027 through 2030. Unincorporated business tax increase of \$68 million, \$69 million, \$71 million, and \$74 million in fiscal years 2027 through 2030, respectively. Unrestricted Aid of \$117 million, \$161 million, \$161 million and \$161 million in fiscal years 2026 through 2030, respectively. Non-tax revenue increase of \$256 million, \$166 million, \$98 million, \$94 million and \$92 million in fiscal years 2026 through 2030, respectively.
- Agency expense changes have increased by \$1.3 billion, \$2.1 billion, \$2.1 billion, \$2.1 billion, and \$2.2 billion in fiscal years 2026 through 2030, respectively.
- Pensions changes have increased by \$5 million in fiscal year 2026 and decreased by \$240 million, \$85 million, \$162 million and \$168 million in fiscal years 2027 through 2030, respectively.
- Restructuring city pension liabilities which reduced spending by \$652 million, \$1.6 billion, \$1.7 billion, \$1.5 billion and \$1.6 billion in fiscal years 2026 through 2030, respectively.
- Citywide fringe savings which reduced spending by \$200 million, \$315 million, \$315 million, \$315 million and \$315 million in fiscal years 2026 through 2030, respectively.
- Cost containment strategies which reduced spending by \$1.2 billion, \$1.1 billion, \$818 million and \$666 million in fiscal year 2027 through 2030, respectively.
- H+H reimbursement for city debt service which reduced spending by \$205 million and \$250 million in fiscal years 2026 and 2027.
- State budget pension enhancement costs of \$110 million each year for fiscal years 2027 through 2030.
- State budget impact which reduced spending by \$101 million, \$362 million, \$162 million, \$162 million and \$162 million in fiscal year 2026 through 2030, respectively.
- Debt Service savings total \$213 million in fiscal year 2026. Debt Services changes which increased spending by \$16 million, \$78 million, \$196 million and \$271 million in fiscal years 2027 through 2030, respectively.
- The General Reserve has decreased by \$50 million in fiscal year 2026.
- Retiree Health Benefits Trust Fund reversal expense increase of \$816 million and \$393 million in fiscal year 2026 and 2027 and expense decrease of \$1.2 billion in fiscal year 2028.
- Re-estimate of prior years' expenses and receivables of \$1.2 billion and \$400 million in fiscal year 2026 and 2027.
- Revenues and expenditures are balanced for fiscal years 2026 and 2027 and gaps of \$7.1 billion, \$9.1 billion, and \$9.8 billion are projected for fiscal years 2028, 2029 and 2030, respectively.

The following tables detail the changes since February 2026 Financial Plan and the revenues and expenditures for the five-year financial plan.

	May 2026 Financial Plan City Funds (\$ in Millions)				
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Gap to be Closed - February 2026 Financial Plan.....	\$—	\$—	\$(6,662)	\$(6,754)	\$(7,109)
Revenue Changes:					
Tax Revenues	(25)	(50)	—	—	—
Tax Audit.....	100	50	—	—	—
Unincorporated Business Tax.....	—	68	69	71	74
Property Tax Increase					
Prelim Budget Reversal.....	—	(3,700)	(3,601)	(3,707)	(3,814)
Pied-a-Terre.....	—	500	500	500	500
Unrestricted Aid	117	161	161	161	161
Non-Tax Revenue.....	256	166	98	94	92
Total Revenue Changes.....	\$448	\$(2,805)	\$(2,773)	\$(2,881)	\$(2,987)
Expense Changes:					
Agency Expense Changes	1,268	2,052	2,065	2,122	2,230
Pension	5	(240)	(85)	(162)	(168)
Restructuring City Pension Liabilities .	(652)	(1,644)	(1,704)	(1,529)	(1,644)
Citywide Fringe Savings	(200)	(315)	(315)	(315)	(315)
Cost Containment Strategies	—	(1,176)	(1,140)	(818)	(666)
H+H Reimbursement for					
City Debt Service	(205)	(250)	—	—	—
State Budget -					
Pension Enhancement Costs	—	110	110	110	110
State Budget Impact	(101)	(362)	(162)	(162)	(162)
Debt Service	(213)	16	78	196	271
General Reserve	(50)	—	—	—	—
Retiree Health Benefit					
Trust Fund Reversal*	816	393	(1,209)	—	—
Re-estimate of Prior Years'					
Expenses and Receivables.....	(1,209)	(400)	—	—	—
Total Expense Changes	\$(541)	\$(1,816)	\$(2,362)	\$(558)	\$(344)
Gap to be Closed Before Prepayments....	\$989	\$(989)	\$(7,073)	\$(9,077)	\$(9,752)
FY 2026 Prepayment	(989)	989	—	—	—
Gap to be Closed - May 2026 Financial Plan	\$—	\$—	\$(7,073)	\$(9,077)	\$(9,752)

* The Rainy Day fund was reversed and replaced with the Retiree Health Benefits Trust Fund in a Budget Modification after the Preliminary Budget.

Fiscal Years 2026 and 2027 are balanced in accordance with Generally Accepted Accounting Principles (GAAP), except for the application of Statement No. 49 of the Government Accounting Standards Board (GASB 49) which prescribes the accounting treatment of pollution remediation costs, and without regard to changes in certain fund balances described in General Municipal Law 25.

	(\$ in Millions)				
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
<i>Revenues</i>					
<i>Taxes:</i>					
General Property Tax.....	\$35,536	\$37,200	\$37,882	\$39,057	\$40,440
Other Taxes.....	47,679	49,591	50,706	51,156	52,380
Tax Audit Revenue.....	1,059	929	879	879	879
Tax Programs.....	147	654	611	493	492
Subtotal - Taxes.....	\$84,421	\$88,374	\$90,078	\$91,585	\$94,191
Miscellaneous Revenues.....	9,053	8,565	8,454	8,493	8,517
Unrestricted Intergovernmental Aid....	619	161	161	161	161
Less: Intra-City Revenues.....	(2,385)	(2,195)	(2,137)	(2,129)	(2,127)
Disallowances Against Categorical Grants.....	(15)	(15)	(15)	(15)	(15)
Subtotal - City Funds.....	\$91,693	\$94,890	\$96,541	\$98,095	\$100,727
Other Categorical Grants.....	1,192	1,131	867	864	864
Inter-Fund Revenues.....	805	814	810	813	814
Federal Categorical Grants.....	9,900	7,281	7,121	7,096	7,083
State Categorical Grants.....	20,804	20,584	20,983	20,612	20,682
Total Revenues.....	\$124,394	\$124,700	\$126,322	\$127,480	\$130,170
<i>Expenditures</i>					
<i>Personal Service:</i>					
Salaries and Wages.....	\$35,085	\$35,946	\$37,581	\$38,755	\$39,833
Pensions.....	9,848	8,759	9,841	9,403	8,822
Fringe Benefits.....	15,465	16,006	16,793	17,526	18,371
Subtotal – Personal Service.....	\$60,398	\$60,711	\$64,215	\$65,684	\$67,026
<i>Other Than Personal Service:</i>					
Medical Assistance.....	6,762	6,790	6,940	7,090	7,240
Public Assistance.....	2,762	2,708	2,707	2,707	2,707
All Other.....	51,299	48,114	49,588	50,035	51,084
Subtotal – Other Than Personal Service.....	\$60,823	\$57,612	\$59,235	\$59,832	\$61,031
Debt Service ^{1,2}	8,282	9,535	10,632	11,720	12,542
FY 2025 Budget Stabilization ¹	(3,787)	—	—	—	—
FY 2026 Budget Stabilization ²	1,063	(1,063)	—	—	—
Capital Stabilization Reserve.....	—	—	250	250	250
General Reserve.....	—	100	1,200	1,200	1,200
Less: Intra-City Expenses.....	(2,385)	(2,195)	(2,137)	(2,129)	(2,127)
Total Expenditures.....	\$124,394	\$124,700	\$133,395	\$136,557	\$139,922
Gap To Be Closed.....	\$—	\$—	\$(7,073)	\$(9,077)	\$(9,752)

¹ Fiscal Year 2025 Budget Stabilization total \$3.787 billion, including GO of \$1.443 billion and TFA-FTS of \$2.344 billion.

² Fiscal Year 2026 Budget Stabilization totals \$1.063 billion.

ECONOMIC OUTLOOK

Overview

The national economy continues to suffer from elevated uncertainty, which has been further exacerbated by the outbreak of hostilities in the Persian Gulf. The economic effect of over a year of unpredictable and volatile policy swings is a study in contrast, with sustained aggregate growth but weak employment gains and lackluster hiring – further evidence of a K-shaped economic expansion. Business investment has been boosted by robust spending on artificial intelligence (AI) infrastructure and related gear, but residential investment continues to contract. The Iran War and the energy price shock are assumed to be transitory, allowing the U.S. economy to sustain its current pace of expansion – a testament to the economy’s resilience. But the closure of the Strait of Hormuz and the U.S.-Iran impasse continue to cloud the economic outlook, with the possibility of significant damage from a prolonged conflict. Consumption growth has been decelerating, even prior to the war, pressured by slow job and wage gains, persistent inflation, and dropping labor force participation, an outcome that reflects long-standing demographic trends and the administration’s stringent immigration policies. To help offset these headwinds, U.S. households have been drawing down savings and accumulating debt to finance spending. The stress from these challenges resulted in the lowest consumer sentiment reading in the 73-year history of the survey. Financial markets this year are following a similar path as last year. The impetus for the recent gyrations in equity markets was the outbreak of the Iran war; last year the cause was the threat of a trade war. Similar to the 2025 episode, Treasury bond yields rose uncharacteristically in response to market turmoil, suggesting that global investors have been shedding dollar assets when pressured. The volatility last year triggered higher trading activity and fueled demand for hedging and other financial products. Furthermore, high equity prices boosted initial public offerings and encouraged merger activity. As a result, Wall Street earned a record \$65 billion in 2025. Due to the risk from a cooling economy and heightened uncertainty, Wall Street profits are expected to soften in 2026, albeit still attaining a historically high level of \$45 billion.

The Federal Reserve (Fed) remained vigilant as rapidly shifting federal policies and the Iran War have confronted the Fed with the monetary policy dilemma of balancing the risks of a slowing labor market against the damage from sticky inflation. The Fed continued to keep its policy rate unchanged in April 2026, adopting a wait-and-see approach as it assessed how the conflict might unfold and its potential impact on the economy. Inflation remained one of the Fed’s primary concerns, as core Personal Consumption Expenditures (PCE) inflation continued to linger above the Fed’s target, partly due to tariffs. Most Federal Open Market Committee (FOMC) members now expect fewer rate cuts than previously anticipated. In addition, the Fed paused its balance sheet reduction plan in December 2025 and gradually increased reserves in the financial market, leading to a modest expansion of its balance sheet in 2026. Beyond ongoing economic uncertainty, the Fed also faces an internal transition, as Fed Chair Jerome Powell’s term is set to end in May 2026.

New York City’s labor market continues to decelerate. In March 2026, private sector employment was down by 57,300 jobs (down 1.3 percent) on a year-over-year (YoY) basis. Of the nine major private sectors, just two (financial activities and information)

grew on an annual basis. Employment levels were especially affected by the reform of New York State’s Consumer Directed Personal Assistance Program (CDPAP), which reduced the number of healthcare & social assistance jobs in New York City. Private sector employment is expected to grow by 1.3 percent in 2026 and then remain below a two percent pace in the out-years. Average private sector wage gains were strong, increasing by 6.8 percent year-over-year in the first three quarters of 2025, bolstered by robust advances in high-paying office-using sectors. Average wages are estimated to have increased by 6.7 percent in full-year 2025 and then are forecasted to rise by 3.6 percent in 2026, reflecting more moderate wage growth in the financial sector.

Leasing momentum in New York City’s commercial real estate market remained robust, supported by finance, tech, and AI firms. Improved tenant confidence and growth-driven office demand in the finance and information sectors resulted in a record-high first quarter leasing performance in 2026, with total leasing reaching 9.5 million square feet (msf), up 30 percent year-over-year. Fueled by the surge in activity, the primary market vacancy rate fell by about 2.8 percentage points on an annual basis – the largest

* All economic data are reported on a calendar year basis.

annual decline since 2015. As the flight-to-quality trend persists and office-to-residential conversions are on track to double in 2026, vacancy rates are expected to decline further to around 15.3 percent by 2030 but remain historically elevated. Dwindling availability is placing upward pressure on asking rents, which are projected to rise by two percent by the end of 2026 before slowing to an average annual pace of 1.7 percent through 2030.

New York City's housing market has softened due to elevated borrowing rates and growing economic uncertainty stemming from the conflict in the Middle East. As mortgage rates have risen since the start of the war, the mortgage lock-in effect persists, further sidelining prospective buyers and constraining sales. In turn, 2026 is projected to be a slow year for housing market activity, with home sales expected to increase by just 0.6 percent in 2026 before accelerating to an average annual growth of 2.9 percent through 2030. Limited inventory, coupled with strong luxury demand, continues to drive home prices and rents to record highs. Average prices and rents are projected to grow 3.9 percent and 4.1 percent, respectively, by the end of 2026, before decelerating over the forecast horizon. However, the surge in residential building permit activity in the first quarter, alongside the office-to-residential conversion boom, is expected to support an expansion in the City's housing inventory, helping to address housing shortage and affordability challenges.

The City's tourism industry remained stable, but headwinds are expected in the forecast as the number of international visitors declines. Federal policies on immigration and trade, along with the ongoing conflict in the Middle East, are deterring international travel. Recent international passenger data reflect this downturn, with inbound international passenger volumes to major New York metro airports falling significantly in recent months. Nevertheless, segments of the industry, such as Broadway, have remained resilient, supported by domestic demand. The recent slowdown in international visitors has also affected the hotel sector, with hotel occupancy falling below last year's levels in early 2026. While room rates have continued to rise, they are expected to grow slower than previously projected.

THE U.S. ECONOMY

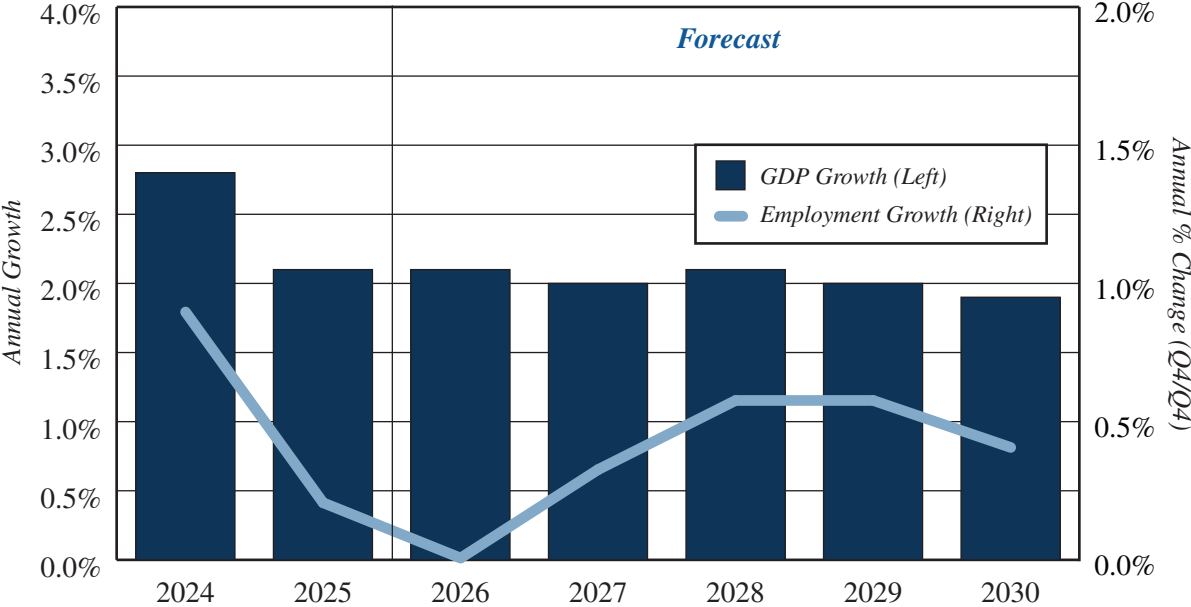
The current economic situation is a study in contrast. The U.S. economy continues to expand, despite weak job gains and lackluster hiring. Equity markets advanced to all-time highs, yet steep energy costs and turmoil in the Middle East have driven consumer sentiment to an all-time low. Investment growth in information technology jumped to a 26-year high, while residential investment contracted. These incongruities reflect an economy buffeted by unpredictable policy swings in Washington and geo-political events, affecting trade, energy, inflation, and foreign relations.

Real GDP growth in 2025 was uneven as spending and investment patterns responded to soaring tariff rates and volatile fiscal policy. Annualized growth in the first quarter of 2025 contracted by 0.6 percent as consumers and firms stocked up on foreign goods in advance of higher import duties. The resulting second-quarter plunge in import demand produced a jump in net exports (i.e. exports less imports), which

boosted growth to 3.8 percent in the second quarter and 4.4 percent in the third. By the fourth quarter, GDP components finally began to stabilize, only to have the longest federal shutdown in history subtract an estimated full percentage point (ppt) from growth, resulting in a 0.5 percent pace for the final quarter. Nevertheless, despite a quarterly variance three times that of 2024, the annual growth for full-year 2025 was a better-than-expected 2.1 percent, underscoring the resilience and adaptability of the national economy. The advance 2026 GDP data revealed that this momentum continued with first-quarter annualized growth of two percent. The outbreak of hostilities in Iran adds further complications, but it is assumed that the conflict will not be prolonged. As a result, growth for the full year is projected to maintain the same 2.1 percent pace as 2025, a small downgrade from the previous forecast. Slow labor force growth and meager job gains combined with productivity increases are projected to allow the economy to maintain this pace in the out-years.

U.S. GDP AND EMPLOYMENT GROWTH

Real GDP growth remains near two percent through most of the forecast horizon, but job growth drops to zero in 2026 before rebounding, albeit to a historically-slow pace.



Source: U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, NYC OMB

Throughout 2025, consumption was the mainstay of the economy, with personal consumption expenditures (PCE) contributing 1.78 ppt to the full-year 2.1 percent topline growth, essentially matching the pre-pandemic average of 1.8 ppt. However, substantial headwinds began to emerge over the course of the year that have started to constrain spending. On a seasonally adjusted annual basis, real consumption growth hit 3.5 percent in the third quarter of 2025, faster than the sub-three percent growth registered in 2023 and 2024. However, PCE decelerated in the fourth quarter to 1.9 percent, and slowed further to 1.6 percent in the preliminary first quarter 2026 report. As a result of this slowdown, PCE is expected to grow 2.2 and 2.1 percent annually in 2026 and 2027, respectively, down from 2.6 percent in 2025. Consumption is projected to begin to pick up in 2028 but remains below the 2025 pace through the end of the forecast horizon.

There are several factors encumbering the current consumption path. Job growth has been decelerating for several years, while wages have been eroded by persistent inflation. Labor force participation has dropped, reflecting long-standing demographic trends and the administration's restrictions on immigration. The jump in energy prices presents a new drag – since higher energy costs act as a tax on consumers, eroding other discretionary spending. The administration's fiscal policy both impedes – through cuts to welfare and health spending and the restart of student loan payments – and supports U.S. consumer spending through the extension of tax cuts. As a result of these pressures, consumers have had to dissave and borrow to sustain spending, while measures of consumer sentiment have fallen to record lows.

The slowdown of employment growth in 2025 is a continuation of a multi-year trend that started in 2022 with the Federal Reserve's (Fed) aggressive rate hikes aimed at suppressing inflation. Payroll gains averaged 377,000 jobs per month in 2022 but subsided to 122,000 per month by 2024. Job growth decelerated sharply to a monthly average of just 10,000 jobs in 2025, curtailed by largescale layoffs of federal employees. Year-to-date through April 2026, hiring has seen a rebound, averaging 76,000 per month. Nevertheless, growth is expected to remain lethargic in 2026, with negligible gains. Employment growth in the out-years is projected to improve but will remain around 0.5 percent, year-over-year (YoY) through the end of the forecast horizon, well below the pre-pandemic average pace of 1.6 percent. The downshift in job growth was partly driven by current immigration policy, which

pared net international migration to 1.3 million in 2025, less than half of the 2.7 million peak in 2024, according to U.S. Census estimates. Lower net migration affects the supply-side of the labor market through attenuated labor force growth. From 2022 through 2024, the U.S. labor force increased by an average of 1.6 percent annually but downshifted in the second half of 2025 to 0.4 percent.¹

The strict constraint on international migration, plus longstanding demographic trends, are contributing to a decline in the labor force participation rate (LFPR) – the share of a labor cohort that is either working or seeking work. This is an essential supply-side measure of the economically engaged portion of a nation's population. The pandemic resulted in an extraordinary drop in the LFPR, reflecting the wholesale disruption to the national economy. It subsequently began to rebound as tight labor markets attracted new workers into the job market, including international immigrants who are active job seekers. However, after rising to a post-pandemic peak of 62.8 percent in 2023, the U.S. LFPR weakened again, dropping to 61.9 percent by March 2026 – a 49-year low outside of the mid-pandemic slump. In addition to the absence of migrant workers, the retirement of baby boomers and the secular decrease of male participation have contributed to the decline. By the first quarter of 2026, the LFPR for workers aged 55 and older was down 2.8 ppt compared to pre-pandemic levels. Likewise, the male LFPR dropped 1.9 ppt over the same period. In contrast, the participation rate for female workers increased slightly, and the LFPR for prime-age workers (25 to 54 years old) was up by 2.2 ppt.

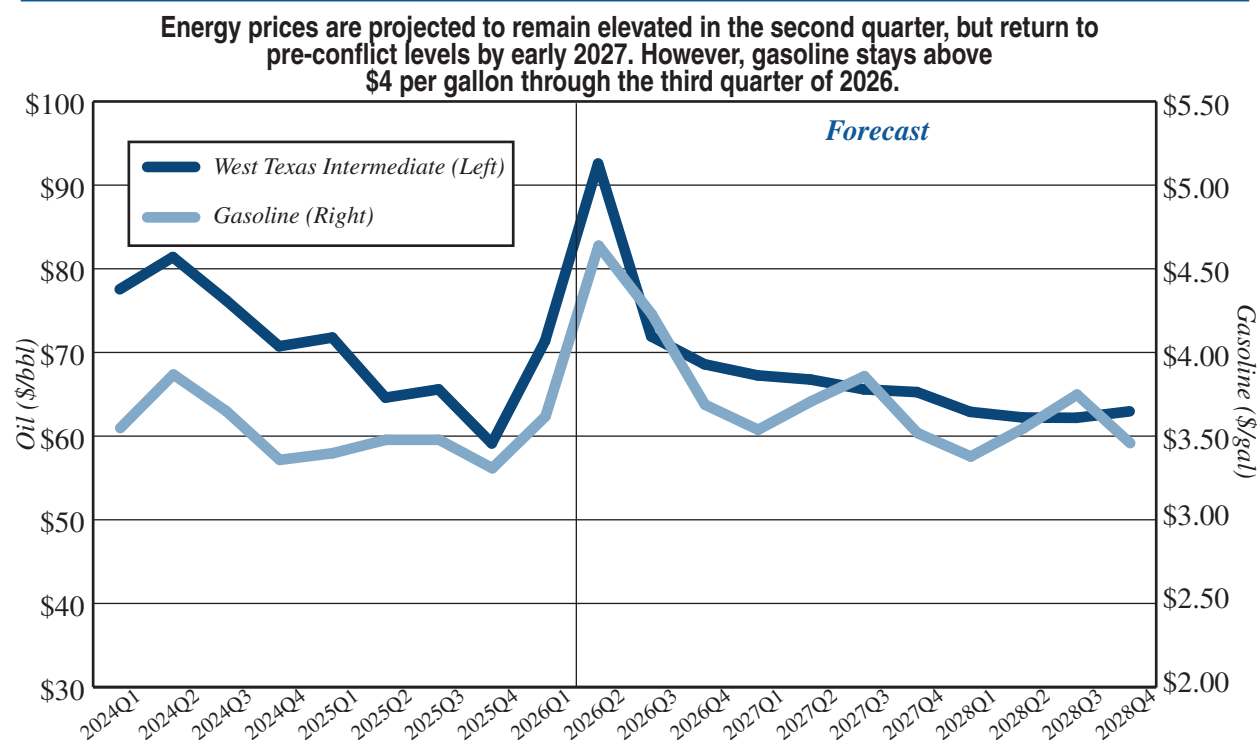
Indicators of labor demand have likewise been subdued. Job openings declined at a double-digit percentage pace in 2023 and 2024, partly in response to tighter monetary policy. In 2025, job openings continued to fall by 7.5 percent YoY and slipped another 2.8 percent over the first three months of 2026. As a result, the number of openings per job seeker dropped below parity in the second quarter of 2025 and remained below one through March 2026. Increasing labor market slack is resulting in decelerating wage growth. The private-sector average hourly earnings slowed to 3.6 percent YoY in the first quarter of 2026, down from four percent in full-year 2025. With headline inflation still elevated in the first quarter, this pushes real wage growth to under one percent. The Atlanta Fed's wage tracker reveals a similar deceleration. The 12-month moving average of the Fed's median hourly wage measure dropped to four percent YoY in the first quarter, down from 4.6 percent a year ago.

¹ Labor force growth rates calculated using the U.S. BLS Experimental Labor Force series, which controls for the January 2026 population updates.

The parallel easing of labor supply and demand have resulted in a relatively stable unemployment rate. The overall jobless rate increased from four percent in January 2025 to 4.4 percent by the end of the year and remained mostly unchanged through the first quarter of 2026. This outcome reflects a declining breakeven rate – the number of new jobs required to keep the unemployment rate stable. With slower labor force growth, fewer new jobs are needed to absorb the flow of new job seekers, resulting in a relatively constant share of unemployed. In the post-pandemic period, this monthly breakeven rate was typically over 100,000 jobs. A recent Fed paper analyzed the current situation and concluded that with labor force growth potentially dropping to zero this year, the breakeven rate could likewise flatline.² Since aggregate growth is ultimately determined by two factors – employment growth and labor productivity – this would leave productivity gains as the main driver of economic progress. The concern is that without faster productivity growth, the economy could potentially start to resemble Japan’s, whose economy expanded at just 0.5 percent per year over the last decade, while its population shrank.

In addition to a listless labor market, U.S. consumers are now enduring new drag from higher energy costs. In the weeks following the start of hostilities at the end of February, oil prices rose sharply, with the West Texas Intermediate (WTI) benchmark hitting \$106 per barrel (up 60 percent) and the Brent benchmark reaching \$125 per barrel (up 75 percent) and have remained elevated as both Iran and the U.S. imposed blockades of shipping through the Strait of Hormuz. The effect on domestic fuel costs lagged, with regular gasoline prices rising to \$4.45 per gallon (up 48 percent) by early May and diesel fuel prices spiking to \$5.64 per gallon (up 45 percent). Both gasoline and diesel prices were at their highest levels since June 2022 – when the Russia-Ukraine War and pandemic supply chain constraints caused energy prices to jump. The forecast assumes that the supply shock will be temporary, with both WTI and Brent prices projected to decline after peaking in the second quarter of 2025 with average prices of \$76 and \$86 for 2026, respectively. However, since the conflict is currently in an impasse and increasingly likely to be protracted, there is considerable downside risk to this outlook.

WEST TEXAS INTERMEDIATE OIL AND GASOLINE PRICES



Source: U.S. Energy Information Administration, S&P Global, NYC OMB

2 Murray, Seth, and Ivan Vidangos, "Labor force growth, breakeven employment, and potential GDP growth." FEDS Notes. Washington: Board of Governors of the Federal Reserve System, April 2, 2026.

According to the 2024 Bureau of Labor Statistics (BLS) Consumer Expenditure Survey, about five percent of aggregate pre-tax household income was spent on energy, including gasoline, electricity, natural gas, and heating fuel, with the burden distributed unevenly across income groups. The lowest income quintile dedicated 17 percent of income to energy expenditures, while the highest spent just 2.7 percent. A recent analysis estimated that a short closure of the Strait of Hormuz would cost the average household an additional \$857 in 2026 for gasoline alone.³ As the conflict has dragged on much longer than assumed by the calculation, this figure is now a lower bound of the energy levy. A Dallas Fed survey of oil and gas firm managers reported that 80 percent of respondents expected that it would take at least until August for conditions in the Strait to return to normal.⁴

Oil and natural gas are not the only commodities impacted by the Iran conflict. A large share of the world's urea, aluminum, sulfur, and helium are produced in the Gulf and exported through the Strait of Hormuz. Iranian attacks on neighboring countries have forced much of this production to halt. For instance, nearly a third of the global supply of helium was produced at a facility in Qatar as a by-product of liquified natural gas refining. This factory was taken offline after a series of Iranian attacks, and repairs are expected to take several years.⁵ Urea and sulfur are major components of fertilizer, and these supply disruptions will ultimately impair global food production and push food prices higher.

Even before the conflict, there were signs that U.S. households were facing challenges. To help finance spending, consumers have been drawing down savings and increasing borrowing. As of March 2026, the personal saving rate had dropped to 3.6 percent, down 1.5 ppt from a year ago. There are only two other historic periods when saving rates were this depressed – during the pandemic, when households spent their excess reserves boosted by stimulus checks; and during the housing bubble, when homeowners borrowed against the equity created by the rapid appreciation of home prices. In the fourth quarter of 2025, total household debt increased by 4.1 percent YoY, with home equity loans (up 9.5 percent) and credit cards balances (up 5.5 percent) growing the fastest. Aggregate delinquency increased, with 4.8 percent of all debt in some state of arrears. Student loans have been particularly stressed, with 9.6 percent of outstanding balances delinquent, up from essentially zero in 2024, when payment

forbearance was in effect. Delinquency for credit cards also rose to 12.7 percent, the highest rate since just after the Global Financial Crisis.

All of these issues have coalesced into a gloomy consumer outlook. The University of Michigan's April consumer sentiment index dropped from 53.3 in March to 49.8, the lowest reading in the 73-year history of the survey. However, the focus of the survey makes it particularly sensitive to inflation and energy prices. The prior low occurred in June 2022, when gas prices were elevated by the Russian-Ukraine war. In that episode, consumer spending continued unabated, despite the gloomy reading. The Conference Board's Consumer Confidence Index moved lower in the second half of 2025, but strengthened in the first quarter of 2026, with a March reading of 91.8, above the record low of 85.7 set in April 2025 during the turbulent period after the Liberation Day tariff announcements.

Investment spending continues to be a mixed picture but accounted for 0.35 ppt of 2025 topline growth, a contribution that climbed to 1.5 ppt in the first quarter of 2026. Most of this gain has been supported by large-scale spending on artificial intelligence (AI) infrastructure, such as data centers and related gear. Most notable was the equipment category of nonresidential fixed investment, which accounted for 0.42 ppt of 2025 growth. Almost all this strength derived from a 49 percent annual jump in the computers and peripheral equipment subcategory, which accelerated further to a 67 percent (annualized) pace in the first quarter of 2026. This component alone represented about 40 percent of the increase in nonresidential fixed investment in 2025, rising to 47 percent in the first quarter of 2026. Software investment – tallied under intellectual property – accounted for another 12 percent of business investment gains in the first quarter. Spending on structures has contracted for nine consecutive quarters through the first quarter of 2026, after double-digit growth in 2023 boosted by the Infrastructure Investment and Jobs Act (2021) and the CHIPS and Science Act (2022). Nevertheless, according to the U.S. Census Construction Spending reports, the value of new data centers – which fall under the category of structure investment – was up more than 32 percent YoY in 2025. This momentum continued into 2026, with first quarter growth up 33 percent YoY. Monthly durable goods orders indicate that purchases of computers and related products grew 22 percent YoY over the first three months of 2026. The broader

3 “Pain at the pump: What spiking gas prices mean for consumers, the US economy.” Stanford Institute for Economic Policy Research, March 25, 2026.

4 “Dallas Fed Energy Survey Q1 2026 Update.” Federal Reserve Bank of Dallas, April 23, 2026.

5 “The Iran war is roiling commodities far beyond oil.” The Economist Magazine, March 16, 2026.

measure of core durable goods grew 6.7 percent in the first quarter, much stronger than the full-year 2025 pace of 3.8 percent. Thus, prior to the outbreak of the conflict in Iran, business investment was relatively robust, driven by technology spending associated with the AI boom. Looking ahead, nonresidential fixed investment is projected to grow 3.9 percent in 2026 before slowing to around two percent in the out-years.

Residential investment has contracted for five consecutive quarters through the first quarter of 2026, which subtracted about 0.1 ppt from full-year 2025 growth and shaved 0.3 ppt from the first quarter pace. The factors inhibiting performance included stubbornly elevated borrowing rates and the high level of uncertainty from the swings in national trade and fiscal policies. Mortgage rates were headed in the right direction in the second half of 2025, dropping 63 basis points (bps), but remained above six percent by the end of the year. Building permits were down four percent YoY in 2025, and slumped further in the first quarter, down eight percent YoY. The only glimmer of a rebound came from multi-family permits, which were up four percent in 2025. Housing starts were about flat, following three consecutive years of decline, but showed signs of a rebound in the first quarter of 2026, up 1.3 percent YoY. Finally, existing home sales were up 0.5 percent in 2025 – the first annual uptick in four years – only to drop two percent YoY in the first quarter of 2026. Since existing home sales are counted at closing, most of these transactions likely occurred before the Middle East turmoil. Given an almost 40 bps rise in mortgage rates through early May and the jump in energy prices, the housing market will likely remain in low gear for the rest of the year. The forecast projects that residential fixed investment will contract by 1.8 percent in 2026 before rebounding to 1.5 percent in 2027 as mortgage rates finally drop below six percent.

The lethargic housing market and weakening jobs picture, combined with persistent price pressures, put the Fed in a monetary policy dilemma unseen since the Covid-19 pandemic, when the economy faltered but inflation accelerated. Even before the unexpected outbreak of the Iran War at the end of February, the Fed was weighing the risks of a slowing labor market against sticky inflation. The Gulf conflict and the resulting energy and supply shock have exacerbated this impasse by weakening the global economy while simultaneously amplifying price pressures. Although the rate-setting Federal Open Market Committee (FOMC) voted to keep the federal funds rate unchanged at its March 2026 meeting, most members

agreed that the impact of the war could further slow the economy and labor market, potentially requiring more accommodative monetary policy in the future. However, most FOMC members, along with Fed Chair Jerome Powell, agreed that raising rates to counter a projected inflation spike would be a premature policy decision, given the lagged effects of monetary policy and the negative risk of longer-term economic impacts. As a result, the Fed opted for a wait-and-see approach, monitoring how the conflict might unfold before enacting a monetary policy response. Overall, most members of the FOMC believe that the recent increase in prices due to the conflict will be short-lived and prefer to wait for more reliable data and more clarity on the trajectory of the conflict before reacting. However, the unpredictable progression of the conflict continues to complicate policymaking, as it increasingly dictates the course of the global economic outlook.

One of the challenges that the Fed faces is the current administration's shifting policies on trade, immigration, and international relations. These policies have placed significant strain on the economy, particularly on the labor market, where signs of weaknesses have begun to emerge. According to the April 2026 Federal Reserve Beige Book, surveyed firms reported that they remained very cautious about hiring due to ongoing economic uncertainty and were primarily hiring to backfill positions, resulting in fewer new openings. Overall hiring remained lackluster, according to the Jobs Opening and Labor Turnover Survey (JOLTS), with hires totaling 5.5 million in March 2026 – below the five-year average of 5.8 million. The number of job openings per job seeker fell below parity in mid-2025, down from its peak in March 2022, when there were roughly two job openings for every unemployed worker. Workers' sentiment on job prospects also dropped, with the quit rate, a proxy for worker confidence in the labor market, falling to two percent in March, down from an average of around three percent in 2022. Slowing labor market turnover and diminished labor force growth – primarily through restrictive immigration policies – have slowed job matching. As the Beige Book noted, it has become increasingly difficult for the few remaining hiring firms to find workers in skilled trades and physically demanding positions, further weighing on near-term employment growth.

As the Fed continued to monitor the labor market, near-term inflation threats reemerged in 2026 as the conflict in the Middle East disrupted global supply chain, triggering a global energy shock. The Fed's median

projection for core Personal Consumption Expenditures (PCE) inflation in its March 2026 Summary of Economic Projections (SEP) shows inflation rising to 2.7 percent in full-year 2026, higher than the previous projection of 2.5 percent. Fed Chair, Jerome Powell, noted at the March press conference that near-term inflation expectations have increased significantly due to rising oil prices stemming from supply disruptions, and that the FOMC’s March projection for core PCE inflation may be out of sync with current conditions, as the March meeting coincided with the onset of the conflict. While Chair Powell indicated that FOMC members partially incorporated the conflict in the Middle East into their core PCE projections, energy shocks typically do not directly affect core inflation. Therefore, the higher core inflation projection largely reflects what the Fed has described as limited progress in core goods inflation – partly due to tariffs. As result, the current forecast projects core PCE inflation to remain above the Fed’s target in both 2026 and 2027, at 3.6 percent and 3.4 percent, respectively.

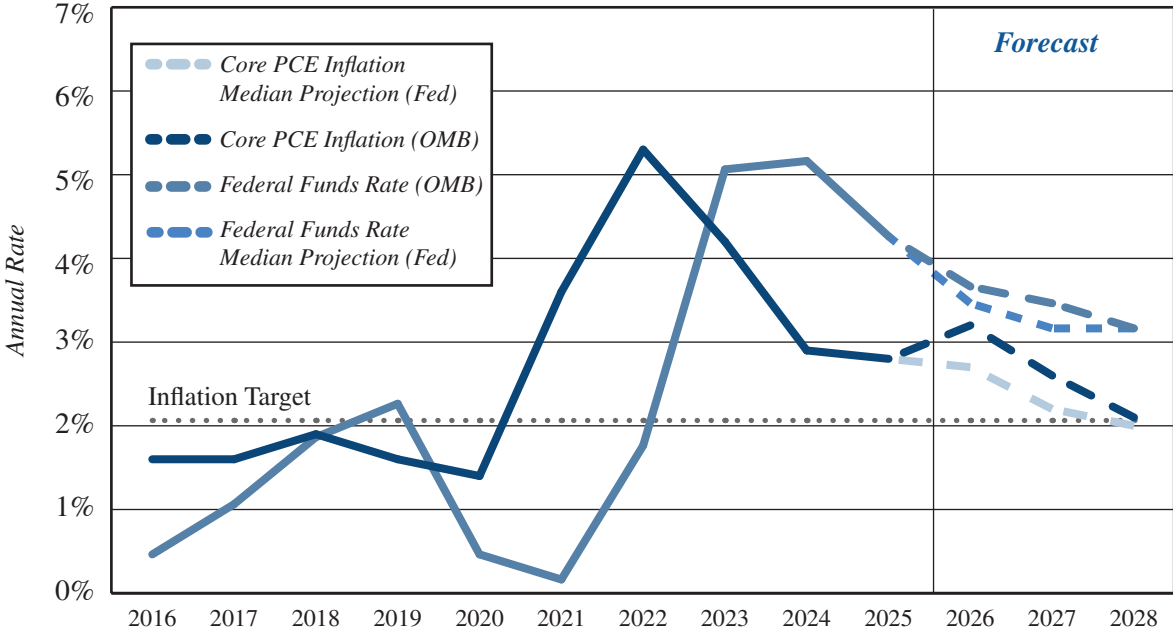
unchanged, as the Fed continues to weigh risks to its dual mandate of maintaining maximum employment and price stability. Following a series of rate cuts in 2025, the Fed has kept its policy rate within the target range of 3.50 - 3.75 percent since December 2025. As a result, the effective federal funds rate (EFFR) stood at 3.64 percent as of early May 2026, but still below 4.33 percent a year earlier. The April Blue Chip Economic Indicator, a monthly survey of top forecasters, shows that most forecasters only expected one rate cut for 2026. Consistent with the Fed’s March SEP, which projects a policy rate of 3.4 percent for 2026, this suggests one cut by the end of 2026 – unchanged from the December 2025 SEP. However, the longer-run target is now 0.1 percentage points higher than in the previous projection. In addition, the March dot plot also indicates that sentiment toward rate cuts has shifted among FOMC members. Compared with the December 2025 projections, members are now leaning toward fewer rate cuts in 2026, as inflation has taken center stage in the Fed’s mandate.

The lack of clarity in the outlook and the uncertainty surrounding the conflict in the Middle East have led the central bank to keep its policy rate

Based on federal funds futures prices, the Chicago Mercantile Exchange (CME) placed a 67 percent probability, the modal outcome, that the Fed will keep

FEDERAL FUNDS RATE AND INFLATION

The Federal Reserve is expected to keep its policy rate unchanged, waiting for further signs of cooling inflation before lowering the federal funds rate in 2027. Inflation is projected to remain above the Fed's target in the near term before easing in the out-years.



Source: Federal Reserve, U.S. Bureau of Economic Analysis, NYC OMB

the federal funds rate within the current target range of 3.50 - 3.75 percent through the end of 2026. This marks a notably tighter policy view from February, when markets placed a combined 59.5 percent probability to one or two rate cuts by year-end, prior to the onset of the conflict. Consistent with CME expectations, the current forecast assumes that the Fed will keep its policy rate unchanged in 2026, as elevated inflation remains a major concern, before resuming rate cuts in 2027. While monetary policy remained mildly restrictive and the likelihood of accommodative monetary policy has declined in recent months, Fed Chair Powell has reiterated the Fed's data-driven approach, emphasizing that policy decisions may shift as economic conditions evolve in order to support its dual mandate.

In addition to the recent announcement of a continuing rate pause in April, as the Fed monitored the economy, the Fed also kept its balance sheet policy unchanged. Last year, the Fed concluded its balance sheet reduction plan on December 1, 2025, which aimed to remove liquidity from the financial system and facilitate a gradual transition from abundant to ample reserve balances. The balance sheet reduction plan, also known as quantitative tightening (QT), resulted in a decline of more than \$2 trillion in the Fed's total securities holdings over the course of the program, from June 2022 to December 2025. However, the Fed abruptly initiated the reserve management purchases (RMPs) operation in the second week of December 2025. This operation was intended to increase the Fed's securities holdings through purchases of short-term U.S. Treasuries in the secondary market. The Fed hopes that the RMPs operation will safeguard the banking system from unexpected reserve shortages, similar to the episode in September 2019 – when low bank reserves led to a sharp spike in short-term interest rates, also known as the Repo-Crisis of 2019. According to the Fed's statement, the pace of RMPs is expected to remain elevated for a few months to offset potential large increases in non-reserve liabilities, particularly in April, due to seasonal tax payments.⁶ As a result, the Fed's balance sheet rose to \$6.7 trillion as of late April 2026, up from a recent low of \$6.6 trillion in late 2025.

Looking ahead, the outlook for balance sheet policy remains uncertain, as Chair Jerome Powell's term is set to end in May 2026. The current administration has nominated former Fed Governor Kevin Warsh as the next Federal Reserve Chair. Warsh has previously advocated for a more limited role for the Fed in financial markets. While it is unclear whether Warsh's views have changed, a change in leadership could have

significant implications for the Fed's policy stance going forward. Nevertheless, Powell will remain on the Fed's Board of Governors until 2028 after his term as chair ends in May. Powell stated at the April press conference that he will step down when the time is appropriate, noting concerns related to a series of legal challenges from the administration that could threaten the Fed's independence. Powell's decision to remain on the Board of Governors as one of its voting members could help counterbalance potential political pressures and provide some stability to the institution.

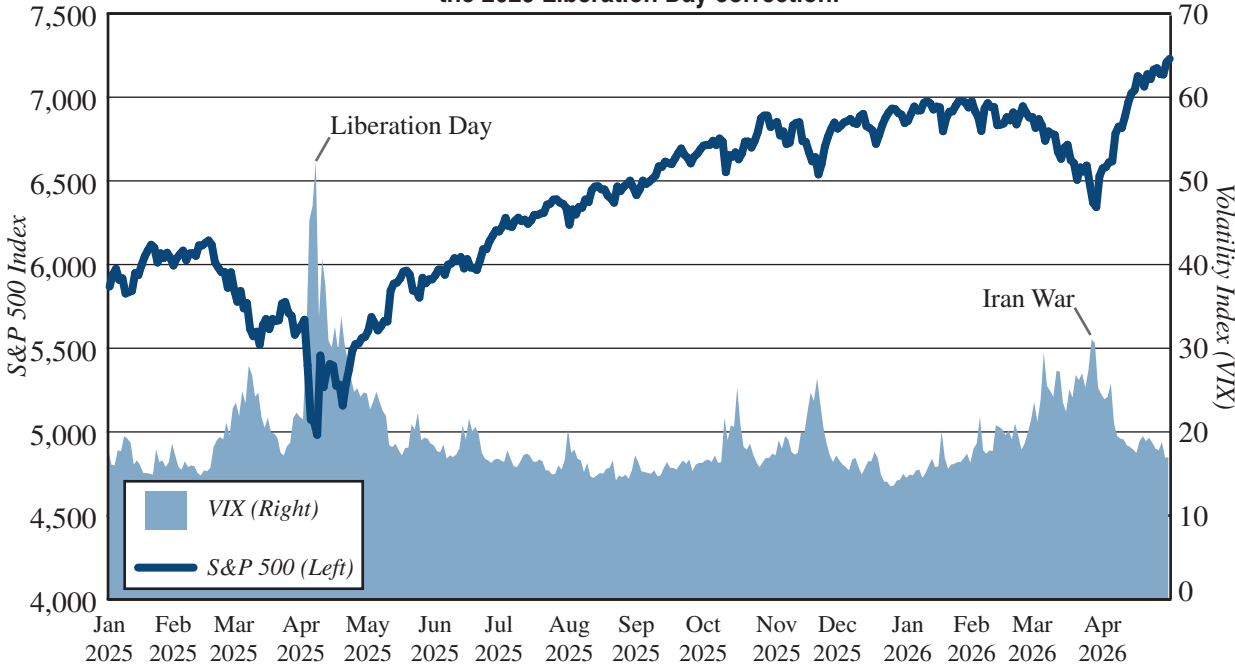
Financial markets are feeling an uneasy sense of déjà vu in the first quarter of 2026, as many financial currents from 2025 resurface. Last year, the threat came from a trade war, which promised heightened uncertainty, elevated inflation, and slower growth. This year the impetus is the war with Iran, with the same implications. The initial reaction in both cases was mostly predictable. In post-Liberation Day trading, the S&P 500 shed 12.1 percent before rebounding, while this year the S&P dropped 7.8 percent after the onset of hostilities in the Gulf. In addition, the atypical response of Treasury yields to negative events continued in 2026. Historically, when faced with market volatility and distress, traders rushed into safer, less risky U.S. dollar assets such as Treasury bonds, resulting in a drop in rates. However, in the period after the April 2025 tariff announcements and again this year after the start of the Iran conflict, 10-year Treasury yields increased by nearly 50 bps – a pattern that suggests global investors have been “selling America” when under pressure. With the Fed expected to keep its interest rate policy on pause until next year, the current bump in yields is expected to fade, leaving the 10-year yield below 4.1 percent by the end of the year, down from the current 4.3 percent. When the Fed resumes rate cuts in 2027, the 10-year rates are projected to ease, dropping to roughly 3.9 percent in the out-years.

Volatility measures continue to show relatively quick resets after major events, implying that investors are treating disruptions as transitory. In the case of the Liberation Day tariffs, the CBOE Volatility Index (VIX), which reflects the 30-day forward-looking volatility in the S&P 500 index, jumped to a 5-year high of 52 and remained elevated for a month before receding back to a typical range around 20. After the start of hostilities in the Gulf at the end of February, the VIX rose above 29 and remained high through the first week of April as the status of the Strait of Hormuz remained in flux. Although the conflict remains unresolved, and despite the announcement in mid-April that the U.S. would

6 “Reserve Management Purchases Operations.” Federal Reserve Bank of New York, December 2025.

S&P 500 AND VIX VOLATILITY INDEX

Similar to 2025, the S&P 500 suffered a large decline (down 7.8%) in March due to the start of the Iran War. However, the volatility index reaction was smaller this year than during the 2025 Liberation Day correction.



Source: S&P Dow Jones Indices, CBOE

blockade Iranian ports, the VIX has hovered around long-run averages in the most recent data. The trading-days ratio – the share of days in a month with absolute price movements greater than one percent – also reflects this transitory pattern. The first two months of 2026 showed normal swings, with only about 15 percent of trading days showing elevated movements. This jumped to 41 percent in March before dropping to 29 percent in April, as the S&P 500 recovered all the losses caused by the war and rebounded to an all-time high. Year-to-date, as of the beginning of May, the S&P 500 and the Dow were up 5.6 percent and three percent, respectively.

One difference between the Liberation Day episode and the current Iran War period is the behavior of retail investors. According to the Investment Company Institute (ICI) data on mutual and exchange-traded fund (ETF) flows, investors pulled nearly \$368 billion from domestic, equity-based funds in the second and third quarters of 2025, a reaction to the 15 percent drop in stock prices caused by the new duties. Some of this was moved to safer bond funds, which expanded by \$253 billion over the same period. This year has seen a much more muted reaction to the Middle East turmoil. In the

first quarter of 2026, investors withdrew a much smaller \$25 billion from domestic equity funds, while adding \$238 billion to bond funds. Moreover, the preliminary April data shows that investors returned quickly to equity funds, buying over \$45 billion of domestic equity-based mutual fund shares and ETFs, while bond-based funds saw inflows of around \$26 billion. While this pattern might be biased by seasonal tax behavior, it seems to suggest that household investors are currently discounting the possibility that the Iran war will have a lasting impact on their portfolios.

Unlike retail investors, Wall Street thrives on volatility, which prompts institutional investors to rearrange portfolios to manage risk and take advantage of new opportunities. Hedging demand increases as firms seek to protect themselves from energy and commodity price swings, increasing derivative volumes. This heightened activity also increases demand for short-term financing and increases spreads, benefiting market-making banks. Strong equity price gains and episodic volatility in 2025 boosted Wall Street activity, allowing the New York Stock Exchange (NYSE) member firms to earn a record \$65.1 billion, resulting from revenue growth of 5.5 percent against

expense growth of 2.6 percent. The strongest revenue lines in 2025 included underwriting and commissions, with each up 22 percent, followed by trading & investments, which grew 13 percent.

While the NYSE data for the first quarter of 2026 has not been published yet, first quarter data on investment banking activities indicate that some of the momentum could carry into 2026. The value of initial public offerings (IPO) rose 18 percent YoY in the first quarter, which is respectable growth, but short of the 50 percent increase in full-year 2025. The deal volume should get a large boost from SpaceX, OpenAI, and Anthropic, all of which are expected to go public this year. Mergers & Acquisitions (M&A) value was up by 8.4 percent YoY, but this data included a one-time, non-arm's length merger between SpaceX and xAI in preparation for the SpaceX IPO. Without this \$250 billion transaction, M&A activity is down compared to year-ago values, although the 2026 pipeline includes the Paramount merger with Warner Bros and the acquisition of Norfolk Southern by Union Pacific.

The Big Five banks' first quarter earnings announcements provided further evidence that conditions remain favorable, despite the Middle East conflict.⁷ Total earnings in the Big Five investment banking units increased 21.9 percent YoY, while consolidate banks' earnings were up 17.8 percent. Equity trading results at all five banks were at record or near record levels. Fixed income, currency, and commodities trading (FICC) was nearly as strong, although Goldman Sachs reported a FICC trading decline of 10 percent. Another boost came from net interest income, which grew nearly 26 percent at the investment banking units of the Big Five. This robust growth is partly due to the steepening yield curve, which allows the banks to charge more on loans to their customers, while capping their short-term funding costs. While the prospects for the rest of 2026 appear favorable, cracks have appeared in private-credit markets, and the Middle East conflict is still unresolved. As a result, the forecast projects that full-year 2026 Wall Street profits will decline to a still historically high \$45 billion, down from the record \$65 billion in 2025. For 2027 and beyond, profits are expected to normalize towards long-run averages in the \$25 to \$30 billion range.

7 Bank of America, Citigroup, Goldman Sachs, JPMorgan Chase, and Morgan Stanley.

THE NEW YORK CITY ECONOMY

The New York City economy remains resilient, but signs of slowing have begun to emerge across certain segments, painting a mixed picture. The finance sector continues to exceed expectations, with record-high Wall Street profits and double-digit average wage growth in 2025. Likewise, the office market posted record-high leasing activity in the first quarter of 2026, and the vacancy rates continued to improve. However, estimates of New York City’s labor market have softened significantly, with employment declining on a year-over-year basis, partly due to benchmark revisions that included the restructuring of the New York State home healthcare program. Furthermore, activity in the residential market remains lackluster due to elevated interest rate, limited supply, and affordability challenges. In addition, tourism is also showing signs of slowing, with visitation decelerating amid ongoing geopolitical tensions.

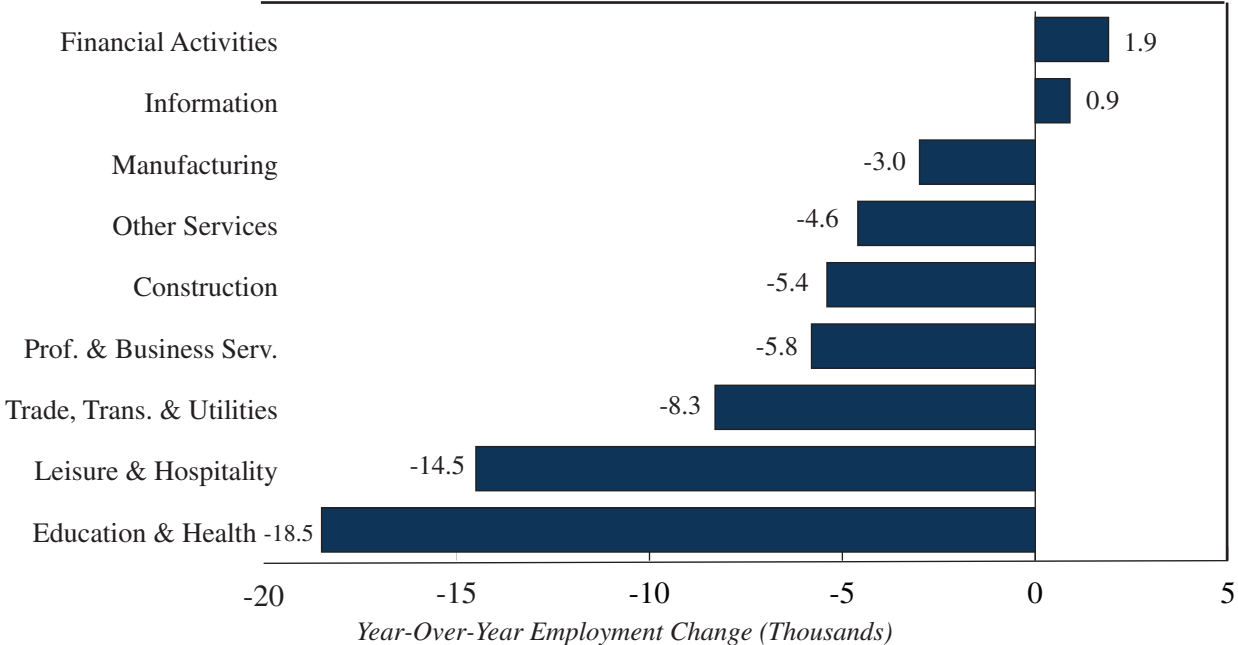
nine major private sectors, seven shed jobs on an annual basis, with only financial activities and information posting gains. Growth is expected to remain weak due to constraints on labor supply and rising economic uncertainty, which is also projected to slow hiring. Private sector employment is anticipated to grow by 1.3 percent in 2026 and continue at a below-average pace between 1.5 and 1.8 percent in the out-years.¹

In contrast to job growth, wage growth was robust in 2025. In the first three quarters of 2025, average private-sector wages were up 6.8 percent YoY, according to the Quarterly Census of Employment and Wages (QCEW) data. With the exception of the manufacturing sector, all major private sectors recorded increases in average wages over this period. Wage growth was notably strong in high-paying, office-using sectors such as financial activities (up 11 percent), information (up 8.6 percent), and professional & business services (up 7.6 percent). However, lower-paid sectors, those with lower average annual wages – such as other services, education & health, leisure & hospitality, and retail – saw weaker wage growth, averaging 2.9 percent over the same

Similar to the national labor market, the New York City labor market continues to slow. On a year-over-year (YoY) basis, private sector employment was down 57,300 jobs in March (a decline of 1.3 percent). Of the

NYC EMPLOYMENT GAINS - MARCH 2026

NYC lost 57,300 private sector positions from March 2025 to March 2026.



Source: New York State Department of Labor, NYC OMB

¹ Annual employment growth rates are on a Q4-over-Q4 not seasonally adjusted basis, unless stated otherwise.

period. For full-year 2025, total average wages across all sectors are expected to grow by 6.7 percent.

For 2026, average wage growth is projected to soften to 3.6 percent, largely due to a slowdown in the finance sector. Finance wages accelerated by an estimated 10.4 percent in 2025 amid strong IPO and M&A activity, combined with equity market volatility and high Wall Street profits. However, activity is expected to downshift in 2026, as growing economic uncertainty is likely to impact Wall Street – though it is expected to remain above historical average levels. Hence, wage growth in the finance sector is forecast to increase by 3.2 percent in 2026, more in line with its pre-pandemic average. In the out-years, private-sector average wages are expected to rise at a rate between two and three percent annually.

In April 2026, the New York State Department of Labor completed its annual benchmark revision, in which the monthly survey-based Current Employment Statistics (CES) data is adjusted to reflect the higher-quality Quarterly Census of Employment and Wages (QCEW). The benchmark revised the annual average employment level in 2024 upward by 6,300 jobs; however, it also revised 2025 downward by 40,600 jobs. The negative benchmark revision in 2025 was driven by downgrades in the healthcare & social assistance sector. Prior to the benchmark, the sector was estimated to have added 71,000 jobs in 2025, however, this was revised to a loss of 30,500 jobs. This significant correction was mainly due to the restructuring of New York State’s Consumer Directed Personal Assistance Program (CDPAP) in 2025, a Medicaid program in which older adults and people with disabilities can hire friends and family members as homecare aides. Originally, the program was managed by hundreds of private organizations, known as fiscal intermediaries, which administered wages and benefits to caregivers. However, on April 1, 2025, the state replaced these fiscal intermediaries with a single statewide fiscal intermediary. With this administrative consolidation, healthcare jobs that were previously attributed to firms operating in NYC were reassigned to other regions, leading to the large decline in NYC-based home health jobs.

In addition to adjustments to the 2025 employment levels, the changes to CDPAP are also expected to affect the employment growth trajectory of the healthcare & social assistance sector going forward. In 2024, the healthcare & social assistance sector added an average

of 6,800 jobs per month. In the 11 months following April 2025, the sector averaged just 1,700 jobs per month, as fewer homecare jobs are registered in New York City. In 2026, employment in the healthcare & social assistance sector is forecasted to grow by 2.1 percent. While still positive, this is much slower than the nine percent growth recorded in 2024. In the out-years, employment growth in the sector is anticipated to be sustained at around two percent.

Negative sentiment toward the U.S., due to recent federal trade and immigration policies, also impacted the leisure & hospitality sector. From March 2025 to March 2026, the sector lost 14,500 jobs, corresponding to a decline of 3.2 percent. Both the arts, entertainment & recreation subsector and the accommodation & food services subsector contracted, losing 7,400 and 7,100 jobs, respectively. The March 2026 Fed Beige Book noted these lackluster trends in leisure & hospitality activity since April 2025 in the Second District, which encompasses New York City. According to estimates from NYC Tourism + Conventions, visitation to New York City increased by only 0.7 percent in 2025, supported mainly by domestic travel, which grew 1.7 percent, while international travel declined by 3.2 percent.² NYC Tourism + Conventions’ outlook for tourism improves in 2026, with visitation forecast to rise by two percent, supported by the FIFA World Cup, and with both domestic and international visitation growing. However, the recent conflict in the Middle East is expected to have an unfavorable impact on travel, especially if it continues for an extended period of time. A prolonged conflict could affect oil prices, flight restrictions, and general economic sentiment, putting pressure on the tourism industry and employment in this sector. Reflecting this trend, leisure & hospitality employment is projected to grow at a moderate pace of 1.2 percent in 2026 and 0.9 percent in 2027.

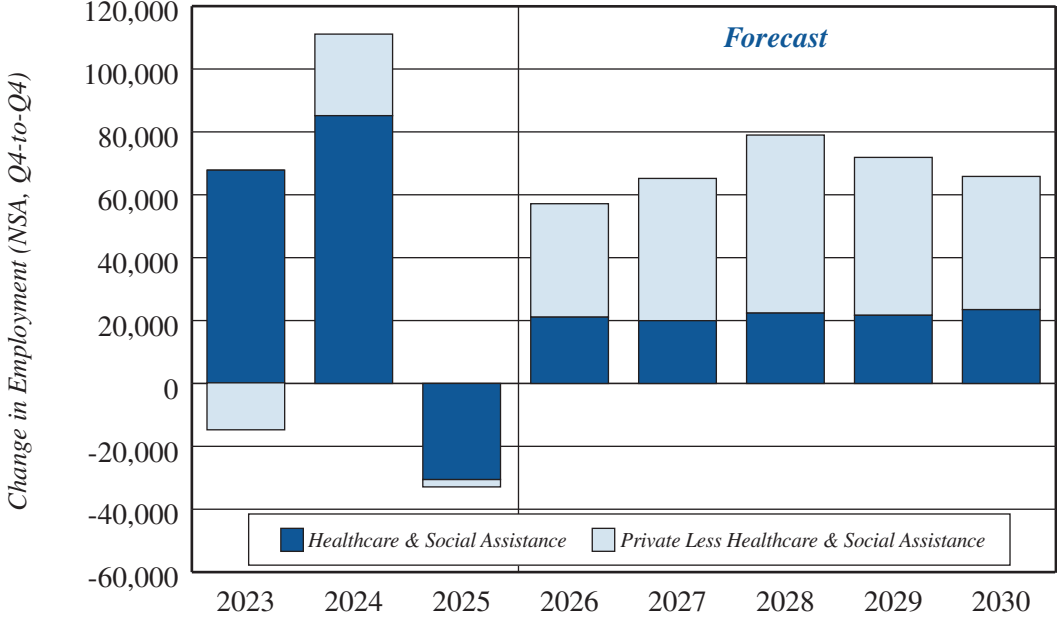
Employment growth in the goods-producing sectors continues to face headwinds amid rising input costs due to tariffs and still-elevated interest rates. The goods-producing sectors in New York City, construction and manufacturing, each shed jobs on an annual basis in March, declining by 5,400 jobs and 3,000 jobs, respectively. The March Fed Beige Book noted that elevated manufacturing input costs had contributed to a contraction in construction activity in the Second District, which could negatively impact the goods-producing sectors.³ However, there are some signs that conditions are improving. The April’s Empire State Manufacturing Survey reported that firms had a

² “Annual Report 2025.” NYC Tourism + Conventions.

³ “The Beige Book: Summary of Commentary on Current Economic Conditions by Federal Reserve District: March 2026.” The Federal Reserve.

HEALTHCARE & SOCIAL ASSISTANCE EMPLOYMENT GROWTH

Due to the restructuring of the Consumer Directed Personal Assistance Program (CDPAP), the NYC healthcare & social assistance sector lost 30,500 positions in 2025. Compared to previous years, the sector's share of employment growth is forecasted to be lower going forward.



Source: NYS Department of Labor, NYC OMB

moderately optimistic outlook and anticipated stronger employment in the near term.⁴ Additionally, in the first quarter of 2026, a total of 7,654 building permits were recorded in New York City, 84 percent above the 20-year first-quarter average of 4,162 – a positive sign for construction outlooks and employment growth in the sector. Overall, the path of employment growth is expected to improve in 2026, but growth is still likely to remain weak, as high costs persist. Employment in the manufacturing sector, which has contracted in eight of the past ten years, is forecast to fall by 2.9 percent in 2026, following a decline of 4.4 percent in 2025. Likewise, construction employment is expected to expand by just 1.6 percent in 2026, after falling 4.8 percent in 2025.

Compared to year-ago levels, employment in office-using sectors, which comprise financial activities, professional & business services, and information, was down by 3,000 in March 2026. However, of these sectors, financial activities still added jobs (up 1,900 positions), as favorable conditions on Wall Street fueled employment growth in this sector. While preliminary monthly employment data initially

indicated a contraction in 2025, the benchmark revision adjusted financial activities employment upward to reflect a gain of 9,600 (1.9 percent) jobs. Notably, jobs in the securities subsector were revised up significantly, showing that the sector expanded by a robust 3.9 percent in 2025. Securities employment is forecast to continue expanding this year, albeit at a slightly slower pace of 2.9 percent due to more balanced Wall Street activity. Total financial activities employment is expected to increase by 1.9 percent in 2026 before slowing to around one percent in the following years.

Anticipating possible headwinds from heightened economic uncertainty driven by shifting federal trade policies, firms in information sector reduced headcounts in the first half of 2025. As the outlook became clearer in the second half of 2025, employment in the sector improved and, as of March 2026, was up 900 jobs YoY. The professional & business services sector followed a similar trajectory in 2025. However, employment in this sector was still down on a YoY basis as of March (down 5,800 jobs, or 0.7 percent). While both the information and professional & business services sectors are expected to add jobs in 2026, growth is

4 “Empire State Manufacturing Survey: April 2026.” Federal Reserve Bank of New York.

New York City Job Growth Forecast

NYC Employment (Thousands)	2025 Level	Forecast	
		2026 Level Change	2027 Level Change
Total	4,818	32	54
Private	4,203	27	53
Financial Activities	515	6	9
Securities	207	3	5
Professional & Business Services	796	7	13
Information	220	2	3
Education	263	6	2
Health & Social Services	1,008	12	15
Leisure & Hospitality	452	0	4
Wholesale & Retail Trade	432	-2	3
Transportation & Utilities	151	3	3
Construction	137	-2	2
Manufacturing	53	-3	-1
Other Services	176	-1	1
Government	615	5	1

Source: NYC OMB

Note: Totals may not add up due to rounding.

likely to be moderate due to uncertainty stemming from the Middle East conflict and the potential impact of artificial intelligence on employment. Information employment is expected to grow by 0.2 percent in 2026, while employment in professional & business services is forecasted to grow one percent. In the out-years, both sectors are expected to add jobs at a rate between one and two percent.

Resilient employment growth in office-using sectors continued to bolster the office market. In the Manhattan market, robust leasing momentum persisted into 2026, driven by strong demand from the office-using and technology, advertising, media, and information (TAMI) sectors. However, the office market remains bifurcated in quality, as tenants sharpen their focus on trophy and Class A buildings that offer modern amenities and prime locations. In turn, primary market asking rents remained elevated, reaching a record high since 2008, while the primary market vacancy rate dropped to its lowest level since 2021. Availability across all property classes is expected to tighten further, as office-to-residential conversions are projected to more than double from 2025, with more than 16,300 rental units already in progress, according to RentCafe's Future Office-to-Apartment Report.⁵ While Manhattan's office market continues to recover, uncertainty in office employment and growing financing costs may pose downward risks to demand momentum.

Sustained office demand has been reflected by a surge in leasing activity, spearheaded by finance and tech firms. In the first quarter of 2026, leasing activity across all office classes soared to 9.5 million square feet (msf), marking a record-high first-quarter total. Class A office leasing activity accounted for the majority (76 percent) of total leasing activity, with more than seven msf of space leased. Within Class A leasing, Midtown leasing totaled about 4.7 msf in the first quarter – down by about 8.5 percent year-over-year, but still well above pre-pandemic levels. Large lease activities significantly contributed to Midtown's strong first quarter performance, most notably with Bank of America's 2.1 msf renewal and expansion at One Bryant Park, marking the second-largest lease of the century in Manhattan.⁶ Other finance firms, such as the Carlyle Group and Point72, have also expanded their Midtown office footprint, with leases of 202,000 sf and 60,000 sf, respectively.⁷ This highlights the financial activities sector's significant role in fueling the office market recovery through large deals, solidifying New York City's continued status as a global financial hub and signaling improved business confidence. Likewise, Downtown Class A leasing activity reached 2.6 msf, surging by nearly 200 percent on an annual basis and about 152 percent above pre-pandemic levels. The increase in leasing activity follows American Express's recent announcement of its commitment to lease two msf at Two World Trade Center for the construction of its new global headquarters. This reflects how tenant

5 "Office-to-Apartment Conversions Continue to Gain Attraction, RentCafe Reports." Mortgage Bankers Association, April 2026.

6 "Manhattan Office Market Notches Best First Quarter in a Decade." Crain's New York Business, April 2026.

7 "Massive Bank of America Renewal Leads NYC's March Office Leases." The Real Deal, April 2026.

commitment to the City is rising, not only through lease renewals but also through future expansions.

Moreover, the influx of AI companies is helping boost leasing activity. According to JLL, AI-related leasing activity in the first quarter of 2026 reached 415,000 sf – already half the amount leased in full-year 2025. Average AI lease sizes have also more than doubled, rising from 16,600 sf to 34,500 sf, reflecting the aggressive expansion plans of AI companies.⁸ Office demand has also been supported by return-to-office (RTO) mandates, which are contributing to higher occupancy and leasing activity. According to Kastle’s Back to Work Barometer, office visits through the week ending April 29th averaged 55.7 percent of the pre-pandemic baseline, up 2.5 percentage points from the same year-to-date period in 2025. As office availability shrinks, finance and tech companies such as JPMorgan Chase and Amazon have turned to coworking spaces to increase office capacity without long-term commitments. In response to rising demand, leading coworking space companies in New York City, such as WeWork and Industrious, continued to expand their footprints in the City in 2025, according to CoStar data as of April 2026.

With robust leasing activity, the primary market vacancy rate has maintained its downward trajectory, falling by about 2.8 percentage points (ppt) year-over-year to 18.2 percent by the end of the first quarter of 2026. The majority of the decline was attributed to the flight-to-quality trend in Midtown, where 81 percent of Class A inventory is located. Driven by trophy-led absorption, the Midtown Class A vacancy rate decreased by about 3.4 ppt YoY to 17.4 percent in March but remained roughly six percentage points above its pre-pandemic level in February 2020. Midtown Class A occupied space increased by 9.3 msf YoY, a record-high annual increase for the first quarter and more than quadruple the February 2020 level of annual growth, contributing to a decline in the Midtown primary market vacancy rate. Despite strong leasing activity, the Class A vacancy rate in Downtown remained relatively unchanged on an annual basis at 21.8 percent and remained well above pre-pandemic levels. This was due to an increase in Downtown’s primary inventory, which offset the surge in leasing activity, with additions of 690,000 sf of office space in the first quarter – the first quarterly increase in Downtown’s primary inventory since 2021. Additionally, Downtown’s Class A occupied space slightly increased by 100,000 sf on an

annual basis, while net absorption remained positive at nearly 200,000 sf, reflecting selective demand spillover into Downtown’s office assets.

The considerable drop in the primary market vacancy rate in the first quarter of 2026 has prompted downward revisions to the projected primary market vacancy rates compared to the January Financial Plan. The overall Class A vacancy rate is projected to fall to 17.8 percent by the end of 2026 and continue to decline over the out-years, reaching 15.3 percent by 2030. Of the submarkets, Midtown’s vacancy rate is expected to end 2026 at 17 percent before declining further to 14.6 percent by 2030. Meanwhile, the Downtown vacancy rate is expected to improve, but at a slower pace, ending 2026 at 20.9 percent and then declining further to 18.2 percent by 2030.

With the ongoing flight-to-quality trend, primary market asking rents continue to rise. In the first quarter, Class A asking rents grew by 2.2 percent YoY, reaching a record-high first-quarter total of \$83 per square foot (psf) – nearly seven percent above the pre-pandemic first-quarter average. In Midtown, Class A asking rents rose three percent YoY to nearly \$90 psf, marking the highest first-quarter annual growth since 2016. The surge in Midtown Class A asking rents reflects tenants’ growing willingness to pay a premium for high-quality office space. In March 2026, Nscale Global Holdings, an AI Cloud platform, set a record for the highest office rent on record at \$320 psf with its lease at One Vanderbilt, which offers high-end amenities such as Michelin-starred dining and a direct connection to the Grand Central Terminal.⁹ This record was then broken in early April with the Soloviev Group’s lease at Nine West 57th Street with an asking rent of about \$328 psf.¹⁰ Trophy tower-led rent growth in Midtown has also benefited Downtown asking rents, as tightening Midtown inventory has led tenants to shift their search toward premium buildings in Lower Manhattan. In the first quarter, Class A asking rents in Downtown increased to about \$62 psf, up 4.4 percent YoY – its highest annual increase since 2019. However, Downtown Class A asking rents remain around two percent below pre-pandemic levels. Given the growing scarcity of high-quality office spaces, overall Class A asking rents are expected to continue rising to record highs, reaching \$85 psf by the end of 2026, before slowing to an average annual growth rate of around 1.7 percent over the forecast horizon. Midtown is projected to drive the increase in primary market asking rents,

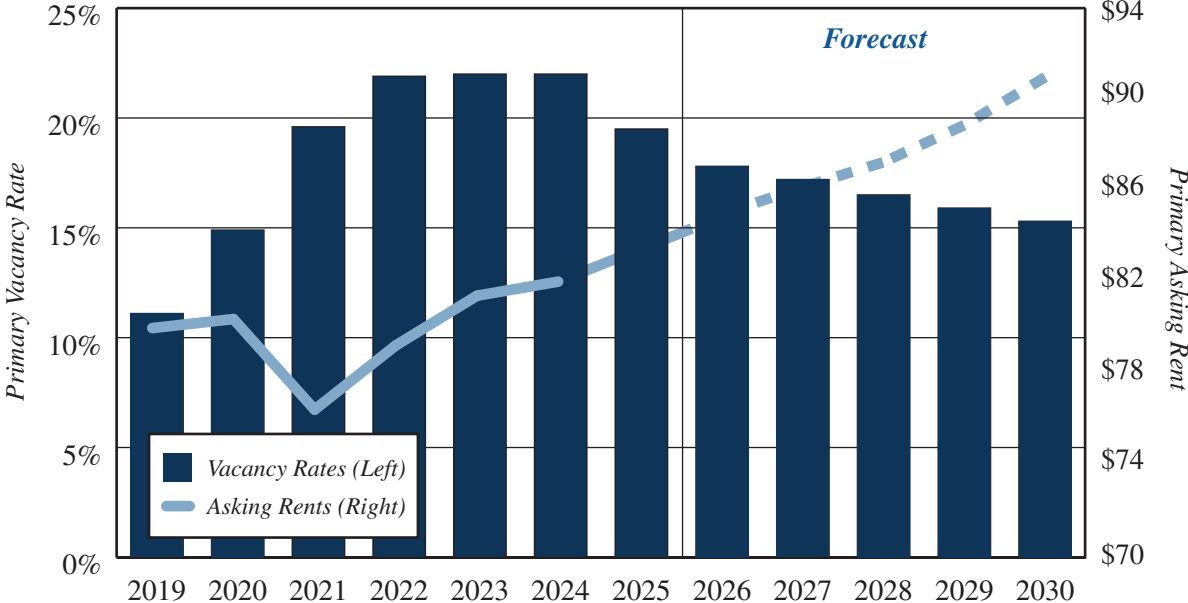
8 “Manhattan Office Leasing Roars Back in Q1 2026, Fueled by AI and Mega Deals according to JLL Office Leasing Research.” NYREJ, March 2026.

9 Ibid.

10 “9 West Sets New Record for Manhattan Office Rent.” The Real Deal, April 2026.

COMMERCIAL VACANCY RATES AND ASKING RENTS

The vacancy rate has fallen from its 2024 peak but remains elevated compared to pre-pandemic levels. With a considerable drop in the first quarter of 2026, the vacancy rate is projected to continue declining through 2030 due to persistently strong Class A leasing activity. Alongside tightening availability, trophy-led office demand is expected to push asking rents to record highs through 2030.



Source: Cushman & Wakefield, NYC OMB

rising by three percent in 2026 before decelerating to an average pace of 1.6 percent in the forecast outyears. Meanwhile, Downtown asking rents are expected to increase at an above-average pace of 2.1 percent in 2026 before slowing to an average annual pace of about 1.9 percent through 2030.

nearly 11 percent YoY and fell about ten percent below its pre-pandemic pace. Finally, co-op sales in February declined on an annual basis for the second consecutive month, falling by roughly five percent YoY and remaining 21 percent below pre-pandemic levels. The recent sluggish sales signal increasingly cautious buyers, who have reverted into a more selective, wait-and-see mode in response to a softening labor market and still-elevated mortgage rates.

Like the office market, the City’s residential real estate market entered 2026 from a position of relative stability. However, its momentum could be hampered by growing economic uncertainty. StreetEasy’s local data showed improvements in inventory and market turnover in the first quarter of 2026. Total sales inventory increased by 4.3 percent YoY, while sales turnover improved by an average of four days compared to year-ago levels. At the same time, the NYC Department of Finance (DOF)’s data showed an increase in total sales volume by around five percent in 2025. However, based on the most recent NYC DOF data in February 2026, NYC has experienced a sharp pullback in total sales volume, dropping by about ten percent YoY. Single-family homes recorded the steepest decline in sales, down 12.1 percent YoY and was about 28 percent below the pre-pandemic (February 2020) level. Following single-family home sales, condo sales decreased by

While mortgage rates have fallen from year-ago levels, they remain elevated. In addition, the conflict in the Middle East has clouded the outlook for mortgage rates. Prior to the war, the 30-year fixed mortgage rate fell to 6.1 percent – the lowest in more than three years. Since the outbreak of the war at the end of February, mortgage rates have increased by 36 basis points, as of the week ending May 1st, hovering around 6.5 percent. The rise in mortgage rates is contrary to earlier expectations for stabilizing or declining rates. Instead, higher rates will mute buyer demand as monthly mortgage payments increase and reinforce the mortgage lock-in effect. Prior to the war, the average monthly mortgage payment, assuming a 20 percent down payment on a \$1.25 million home and a 30-year

mortgage rate of 6.1 percent, was about \$6,100. At a higher rate of 6.4 percent, the average monthly payment would climb to about \$6,300.¹¹

The persistent challenge of affordability is further reflected in slowing home purchasing activity. The Mortgage Bankers Association's (MBA) Purchase Index, a weekly measurement of mortgage applications for single-family home purchases, has slowed to an annual pace of 5.8 percent in the month of April, significantly below last April's 11.7 percent YoY pace. Depending on the duration of the conflict in the Middle East, continued rate hikes could further dampen the residential market's recovery. To reflect these new events, the 30-year mortgage rate projection for 2026 has been revised upward compared with the January Financial Plan. With higher borrowing rates constraining buyer activity, total sales volume in 2026 is expected to increase by 0.6 percent, down from an annual growth of 3.9 percent forecasted previously. However, in the out-years, sales volume is expected to rebound to an average growth rate of 2.9 percent, based on expectations that mortgage rates will improve following the resolution of the Middle East conflict. Condos are projected to drive sales growth in the out-years, growing by an average of 3.5 percent through 2030, followed by co-ops (2.7 percent average annual growth) and single-family homes (2.6 percent average annual growth).

While home sales have weakened, home prices continue to set record highs. In 2025, average home prices rose by an average of 6.8 percent YoY, about eight times the annual growth of 2024 and nearly double the pre-pandemic average pace. The surge in home prices was led by co-ops, which recorded an annual growth of nearly eight percent in full-year 2025. Meanwhile, single-family home prices rose 6.2 percent YoY in 2025, followed by condo price growth of 5.1 percent YoY. The New York City Department of Finance's most recent data shows continued momentum in home price growth, with total home prices up by 7.8 percent YoY in February 2026. Single-family home prices accelerated the most, growing by 19.4 percent YoY, while condo prices were up by 5.5 percent YoY. However, co-op prices fell by almost one percent YoY, as condos – often renovated with premium amenities – are increasingly viewed as the more attractive alternative. Despite elevated mortgage rates, prices have remained high due to a limited construction pipeline and constrained inventory. According to The Corcoran Group's quarterly report, active inventory declined by two percent YoY

to just over 6,000 units – a five-year first-quarter low. Moreover, only 81 new units were launched in the first quarter, about 75 percent below the 10-year average.¹² Strong luxury demand has also supported elevated prices. According to Olshan Realty's luxury report, 33 homes priced at \$4 million and above were sold in the week of March 23rd, totaling a deal volume worth \$254 million. This current momentum would position luxury deals to be on track for one of the strongest quarters in a decade.¹³ Condo sales accounted for nearly 70 percent of the week's luxury activity. The Corcoran Group's quarterly report also found that transactions above \$3 million were up ten percent YoY, reflecting a shift towards the higher end of the market and therefore driving overall prices upward.¹⁴

Looking ahead, average home prices are projected to grow by 3.9 percent by the end of 2026 before decelerating to an annual growth of around 2.6 percent in subsequent years. With luxury activity largely favoring the condo market, condo prices are expected to peak at an annual growth rate of 5.5 percent in 2026 before decelerating to an average annual growth of four percent through 2030.

With prospective middle-income homebuyers remaining on the sidelines as they wait for mortgage rates to improve, demand is spilling over to New York City's rental market. In the first quarter of 2026, New York City's rental inventory fell by 4.3 percent YoY to about 28,100 units – the sharpest first-quarter decline since the Fed started tightening interest rates in 2022. Rental inventory is now about 23 percent below average pre-pandemic levels. In an effort to expand residential supply, the office-to-residential conversion pipeline is on track to start 9.5 msf of conversions in 2026, nearly double the City's previous peak in 2008.¹⁵ While conversions will support the future stock of rental inventory, they may also skew average rents toward the higher end of the rental market as conversions tend to focus on luxury apartments. Based on StreetEasy's rent index, rents grew 5.6 percent YoY in the first quarter to an all-time high. Nevertheless, rent growth is expected to subside by the end of 2026 to an annual growth rate of 4.1 percent, before easing further to an average annual growth of 2.4 percent through 2030.

To address the City's affordable housing crisis, the 485-x tax exemption program was passed in April 2024 to incentivize affordable homebuilding. More than two years since the program's adoption, residential building

11 The estimated average home price of \$1.25 million is based on New York City Department of Finance data as of Q4 2025.

12 "Manhattan Real Estate Market Report: 1Q2026." The Corcoran Group, April 2026.

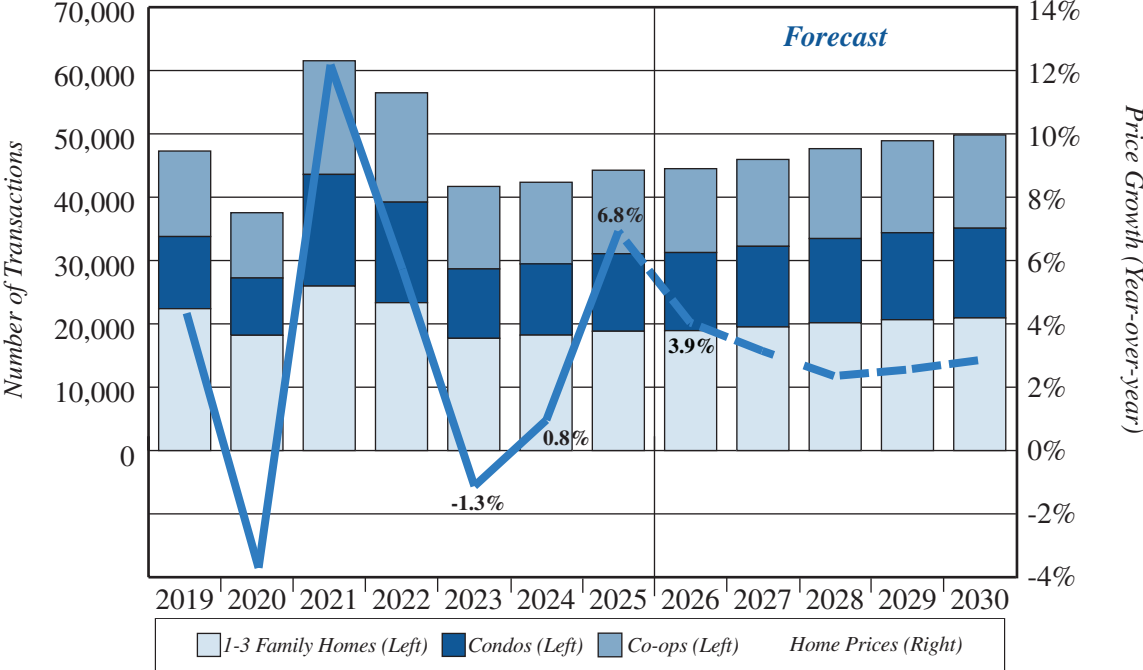
13 "Flatiron Condo Sales Fuel Strong Week for Luxury Sector." Crain's New York Business, March 2026.

14 "Manhattan Real Estate Market Report: 1Q2026." The Corcoran Group, April 2026.

15 "Thanks to An 'Alignment Of Stars,' NYC Conversions to More Than Double in 2026." Bisnow, December 2025.

SALES VOLUME BY HOUSING TYPE AND AVERAGE PRICE GROWTH

NYC home sales modestly improved in 2025 but remain well below pre-pandemic levels. In contrast, home prices have accelerated to record highs, growing 6.8 percent YoY in 2025. As mortgage rates remain elevated and economic uncertainty has intensified, home sales in 2026 are expected to be subdued before rising steadily over the forecast out-years. Meanwhile, home prices are projected to decelerate to an average annual growth of 2.8 percent through 2030.



Source: NYC Department of Finance, NYC OMB

permits, a proxy for residential construction planning, have rebounded, growing by 146 percent YoY in the first quarter of 2026, marking the largest annual increase since the expiration of the 421-a (Affordable Housing New York) program in 2022. The Bronx accounted for about 32 percent of all permitted units, followed by Brooklyn (25 percent), Queens (21 percent), Manhattan (20 percent), and Staten Island (two percent). The robust growth in building permit activity can be partially attributed to developers breaking projects into smaller units to bypass 485-x program’s wage rules, which require developers of projects with more than 100 units to implement higher minimum wage.¹⁶ By the end of 2026, permits are expected to increase by 21.1 percent to about 20,000 – similar to the long-run average prior to the spike in permits in 2022.

The tourism industry remained stable, but the current administration’s foreign and immigration policies and the ongoing conflict in the Middle East have deterred international visitors. While the upcoming FIFA World Cup in 2026 is expected to support growth in the tourism industry, geopolitical conflicts and negative sentiment toward travel to the U.S. are hampering potential gains. According to

NYC Tourism + Conventions, total visitors reached 65 million in 2025, slightly up from 64.5 million in 2024. However, the increase was driven primarily by domestic visitors, which rose by around 800,000 to 52.4 million. Meanwhile, international visitors declined by 400,000 to 12.5 million in 2025. Notably, inbound international passenger volume to major New York metro airports continued to decline significantly in March 2026 following the onset of the Middle East conflict, falling 5.8 percent YoY – one of the steepest declines since 2021 during the Covid-19 period. This shows that federal foreign policies and growing economic uncertainty are deterring international travel to New York City and the U.S., clouding the industry’s outlook.

Despite weaker international arrivals, Broadway performance remained stable in 2026. Data from the Broadway League show that, on a season-to-date basis for the 2025-2026 season, gross revenue surpassed the prior season’s \$1.6 billion, reaching \$1.7 billion – an increase of 6.5 percent YoY. Attendance also strengthened, totaling 12.6 million, up 2.8 percent from the prior season. These trends suggest that domestic visitation may be supporting segments of the tourism

16 “485-x: Affordable Neighborhoods for New Yorkers.” NYC Housing Preservation & Development.

economy by replacing declining international demand. However, domestic travel could also face headwinds if economic conditions weaken further, potentially dampening discretionary travel and consumer spending on leisure activities.

The hotel industry showed positive momentum in 2025, but recent data show signs of slowing. According to CoStar, hotel occupancy remained flat in 2025 at 84 percent, matching 2024 levels, and has softened in 2026, particularly following the onset of the conflict in the Middle East. Year-to-date, through the week of April 25, occupancy has, on average, fallen below last year's levels starting in late February 2026 and has remained around one percentage point below the 78.2 percent level reported over the same period last year. Rising energy prices, airline disruptions, and broader economic uncertainty tied to the conflict are increasingly reflected in tourism data. Continued softness in international travel and persistent geopolitical uncertainty are expected to keep occupancy rates in the low 80 percent range. Nevertheless, hotel room rates showed stronger momentum in 2025, with the full-year average reaching \$329 – a \$15 increase from 2024. Year-to-date, through the week ending April 25, hotel room rates averaged around \$270, up from \$261 over the same period last year. However, this momentum is expected to moderate as international travel weakens. On an annual basis, hotel room rates are projected to reach \$337 in 2026 and \$344 in 2027, about five dollars below the January projection.

Reflecting national trends, the local economy has slowed as it enters a period of heightened uncertainty following the outbreak of conflict in the Middle East and the largest global energy shock since the 1970s. The City's labor market has seen a significant slowdown in job growth, with only two major sectors reporting year-over-year gains in the latest data as of March 2026. The recent NYS Department of Labor benchmark revision also reduced employment growth in the healthcare sector in 2025 due to the CDPAP restructuring. However, employment in two office-using sectors, financial activities and information, remained resilient. Sustained growth in these office-using sectors has continued to support the office market, where leasing activity across all office classes jumped in the first quarter of 2026. In contrast, the residential real estate market continues to face challenges amid economic uncertainty, a slowing labor market, and still-elevated mortgage rates. For tourism, declines in international visitors, driven by negative sentiment toward travel to the U.S. and ongoing geopolitical conflict in the Middle

East, are offsetting potential gains from the World Cup. While the City's economy continues to expand overall, signs of weakness are emerging across multiple sectors, and ongoing uncertainty continues to cloud the outlook.

Risks to the Forecast

The two biggest risks to the forecast stem from the ongoing conflict in the Middle East and uncertainty surrounding federal policy under the current administration. The risk of war is already incorporated into the forecast, with inflation now expected to be higher than initially projected due to the current global energy shock and supply disruptions. However, the eventual outcome of the conflict remains uncertain, as the Strait of Hormuz remained closed as of late April 2026 and the U.S.-Iran peace talks remain at an impasse.

Most forecasters, including the Federal Reserve, view the current energy price shock as temporary and do not expect it to have a long-lasting impact on inflation. Consumer sentiment is consistent with this view as longer-term inflation expectations have remained stable. Nevertheless, if elevated energy prices persist, this could strain consumer budgets and business investment, as higher energy and commodity prices add pressure to retail and other input costs. This supply chain risk comes at an inopportune time, as the current administration's protectionist trade policy, aggressive tariffs, and strict immigration policy – which have contributed to labor shortages – have already driven up costs across the supply chain. Therefore, the combination of the conflict in the Middle East and shifting federal policies is the most significant risk to the current expansion.

Risks associated with the Fed have also increased in recent years, further contributing to overall uncertainty. The Fed's response to ongoing events has been relatively passive, as it continues to view inflation as transitory. However, the potential for a policy misstep is growing, as policymakers may fall behind the curve amid unpredictable federal economic policies and rising geopolitical tensions. In the post-pandemic recovery, the Fed was forced into an aggressive tightening phase after misjudging the persistence of inflation driven by supply-chain constraints and the Russian-Ukraine war. The current conflict in the Middle East and shift in federal policies have already slowed employment growth and led to higher inflation, placing the Fed in a similar policy dilemma.

More recently, the Fed's hard-won political independence has also come under pressure, as the current administration has continued to criticize and push for policy accommodations, while also seeking greater influence over monetary policy decisions. This could weaken the Fed's independence and reduce its effectiveness in responding to potential future economic threats. In addition, the president has nominated former Federal Reserve governor, Kevin Warsh, to lead the Fed this year, replacing Jerome Powell, whose term is set to end in May 2026. This adds another layer of uncertainty as the Fed transitions to new leadership.

Outside of domestic policy risks, geopolitical tensions outside the Middle East are also rising. The ongoing war in Ukraine and increasing tensions across the Taiwan Strait are both notable concerns. With global supply chains already under significant strain as a result of the conflict in the Middle East, a major escalation in these regions could further disrupt global supply chains and push energy and input costs even higher. While the risk of a large-scale conflict in Asia or an escalation of the war in Ukraine remains relatively low, such events could have significant impacts on the global economy and the United States.

**Forecasts of Selected Economic Indicators for the United States and New York City
Calendar Year 2025 - 2030**

	2025	2026	2027	2028	2029	2030	1979- 2024*
NATIONAL ECONOMY							
Real GDP							
Billions of 2017 Dollars	23,853	24,345	24,829	25,359	25,869	26,353	
Percent Change	2.1	2.1	2.0	2.1	2.0	1.9	2.6%
Non-Agricultural Employment							
Millions of Jobs	158.4	158.5	158.7	159.5	160.4	161.2	
Level Change	0.7	0.1	0.2	0.8	0.9	0.8	
Percent Change	0.5	0.0	0.1	0.5	0.6	0.5	1.3%
Consumer Price Index							
All Urban (1982-84=100).....	322.2	333.1	341.1	348.3	356.4	364.8	
Percent Change	2.7	3.4	2.4	2.1	2.3	2.4	3.3%
Wage Rate							
Dollars Per Year	81,896	86,229	90,926	95,085	99,007	103,092	
Percent Change	4.3	5.3	5.4	4.6	4.1	4.1	3.9%
Personal Income							
Billions of Dollars	26,119	27,355	28,980	30,551	32,064	33,564	
Percent Change	4.9	4.7	5.9	5.4	5.0	4.7	5.7%
Before-Tax Corporate Profits							
Billions of Dollars	4,162	4,516	4,560	4,579	4,822	4,850	
Percent Change	-0.4	8.5	1.0	0.4	5.3	0.6	6.0%
Unemployment Rate							
Percent	4.3	4.6	4.8	4.6	4.4	4.3	6.1% avg
10-Year Treasury Note							
Percent	4.3	4.1	3.9	3.9	3.9	3.9	5.7% avg
Federal Funds Rate							
Percent	4.2	3.6	3.4	3.1	3.1	3.1	4.6% avg
NEW YORK CITY ECONOMY							
Real Gross City Product**							
Billions of 2017 Dollars	1,164	1,198	1,221	1,245	1,267	1,290	
Percent Change	5.4	2.9	2.0	1.9	1.8	1.8	2.8%
Non-Agricultural Employment***							
Thousands of Jobs	4,818	4,850	4,904	4,982	5,057	5,125	
Level Change	23.8	32.4	54.1	77.5	75.2	68.2	
Percent Change	0.5	0.7	1.1	1.6	1.5	1.3	0.8%
Consumer Price Index							
All Urban (1982-84=100).....	345.8	358.4	367.0	374.8	382.7	391.2	
Percent Change	3.5	3.6	2.4	2.1	2.1	2.2	3.4%
Wage Rate							
Dollars Per Year	125,801	130,190	133,426	137,002	140,606	145,143	
Percent Change	6.3	3.5	2.5	2.7	2.6	3.2	4.6%
Personal Income							
Billions of Dollars	819.7	855.9	905.3	953.9	1,001.3	1,049.6	
Percent Change	4.3	4.4	5.8	5.4	5.0	4.8	5.5%
NEW YORK CITY REAL ESTATE MARKET							
Manhattan Primary Office Market							
Asking Rental Rate****							
Dollars per Square Feet	83.0	84.7	85.9	87.0	88.6	90.7	
Percent Change	1.5	2.0	1.4	1.3	1.9	2.4	2.1%
Vacancy Rate****							
Percent	19.5	17.8	17.2	16.5	15.9	15.3	11.7% avg

* Compound annual growth rates for 1979-2024. Compound growth rate for Real Gross City Product covers the period 1990-2024.

** Starting in 2021, forecasts of gross city product reflect estimates of local area GDP (for NYC) published by the U.S. Bureau of Economic Analysis. Estimates of NYC gross city product published prior to 2021 represent OMB's estimates of NYC economic activity.

*** Annual averages derived from non-seasonally adjusted quarterly forecasts.

**** Office market statistics are based on 1985-2025 data published by Cushman & Wakefield.

STATE AND FEDERAL AGENDA

STATE

Governor Kathy Hochul's Executive Budget proposal for Fiscal Year 2026-27 was released on January 20, 2026, with amendments to the Budget released on February 19, 2026. As of the release of the City's Fiscal Year 2027 Executive Budget, the State's Enacted Budget bill has not been finalized.

The Governor's Executive Budget included funding for one of Mayor Mamdani's top priorities — expanding access to childcare. The Governor's \$1.2 billion investment included \$475 million in City-specific Child Care Block Grant funding, as well as \$308 million to enhance and expand early childhood education, which consists of \$30 million for Pre-K, \$205 million for 3-K, and \$73 million for the launch of 2-K in four school districts across the five boroughs. The State's commitment to 2-K also includes \$425 million to expand the program to additional school districts in the second year of the program's phased rollout.

Other proposals in the Governor's Executive Budget included \$77 million for New York City Police Department overtime that supports enhanced patrols of subways and mass transit and an initiative to decouple the City from provisions within H.R.1 relating to accelerated corporate tax depreciation.

The Governor's 30-day amendments included \$1.5 billion in new revenue for New York City over two fiscal years, which consists of \$500 million in one-time state unrestricted aid designated for Fiscal Year 2026, along with a \$510 million annual allocation that includes \$300 million to support youth programming, an increase in the New York City General Public Health Work Article 6 reimbursement rate from 20% to 36%, which will generate \$60 million, and a reversal of a sales tax intercept for distressed hospitals that will return \$150 million to New York City.

Since release of the 30-day amendments, the State has made additional financial commitments to the City. This includes New York's first ever pied-à-terre tax on luxury homes valued above \$5 million when owners have a separate primary residence outside of New York City, which is expected to generate \$500 million annually. The City also expects State authorization to restructure unfunded pension liabilities, without

impacting retiree benefits, through a short extension in the amortization schedule that will result in \$650 million in savings the current fiscal year, and \$1.6 billion in fiscal year 2027. The authorization is subject to approval by the boards of trustees of each of the City's five public employee pension systems.

The State's commitment also includes a restoration of the statutory cost sharing between the City and the State associated with line-of-duty death benefits paid to survivors of certain deceased City employees. This restoration will result in annual State reimbursements of \$101 million beginning in fiscal year 2026.

The City is also working with the State to implement the class size mandate on a modified timeline that will generate approximately \$500 million in savings in the coming fiscal year.

The City's FY27 Preliminary Budget reflected cost increases that would be imposed by the Governor's Executive Budget, including an increase in the J-51 property tax exemption from 70% to 100% of certified reasonable costs and the elimination of tax on tips.

It is anticipated that pension enhancement proposals will be included in the enacted State Budget and, therefore, the City's FY27 Executive Budget reflects annual cost increases of \$110 million in the financial plan.

The Governor's proposed Executive Budget is subject to negotiations with the State Senate and Assembly and there is no assurance that any action described in the preceding paragraphs will be enacted as currently proposed, or that subsequent legislative changes might have an adverse impact on the City's budget or financial projections.

FEDERAL

Federal actions continue to pose risks to the City's fiscal stability, ability to deliver services, and capital program. While courts have blocked or reversed adverse federal actions, underlying uncertainty remains, and the City remains exposed to direct cuts and withholding actions, along with abrupt policy changes that complicate long-term planning as described below.

In education, some federal threats identified in earlier budget discussions have eased. The U.S. Department of Education's (USDOE's) anti-DEI guidance and related certification requirements were successfully challenged in federal court. Similarly, in April 2026, a federal court judge ruled that USDOE did not have the authority to cut approximately \$35 million in funding to the City's Magnet Schools Assistance Program based on its opposition to transgender student policies. Though public entitles have prevailed in these, and similar, cases federal education policy remains unsettled, and the City's school system remains vulnerable to future federal actions affecting grant conditions, changes to formula funding that supports high-needs students, and civil rights investigations similar to an ongoing Title IX enforcement action based on gender identity policies launched by the USDOE Office of Civil Rights

In public safety, federal grant funding remains a concern. The Homeland Security Grant Program is a mainstay of New York State and the City's antiterrorism funding, supporting the NYC Police Department, Fire Department, and Department of Emergency Management, among other state and local agencies in these activities. The U.S. Department of Homeland Security reduced the State's Federal Fiscal Year (FFY) 2025 award by \$87 million, which could translate into a potential \$59 million reduction for New York City. Following advocacy efforts by Governor Hochul and New York State elected officials, the Trump Administration publicly committed to reinstate the funds but has not taken formal actions to do so.

In public health and health care, federal retrenchment remains a concern. Governor Hochul's State Fiscal Year 2026-27 Executive Budget explicitly warned that expected federal spending reductions could negatively affect health care delivery and coverage, social services, public safety, climate, and clean energy programs in the state. At the same time, litigation over federal public health grant cuts has produced only partial protection: courts have temporarily blocked some grant terminations, but the broader direction of federal health policy remains uncertain. For the City, that means continued risk to public health programming, safety net providers, and the broader care system on which vulnerable residents depend.

In transportation, the picture is mixed. In April 2026, the federal government agreed to restore approximately \$60 million that had been withheld from the Second Avenue Subway project after New

York sued. Additionally, on March 3, 2026, a federal judge ruled that the Trump Administration's attempt to terminate New York's congestion pricing program was unlawful, granted partial summary judgment to the plaintiffs, and left the program in place. However, the U.S. Department of Transportation (USDOT) recently filed an appeal, potentially reviving a significant transportation risk facing the City and the MTA, because congestion pricing revenue underpins major transit investments. Additionally, on April 16, 2026, USDOT announced that it was withholding more than \$73 million from New York State over a separate commercial-driver-license dispute. Finally, USDOT is seeking cuts to transportation grants awarded to the City over allegations that the projects do not align with the current federal administration's priorities and executive orders. The result is a transportation environment in which some major threats have been ameliorated in court, while new withholding actions continue to create uncertainty for state and local infrastructure planning.

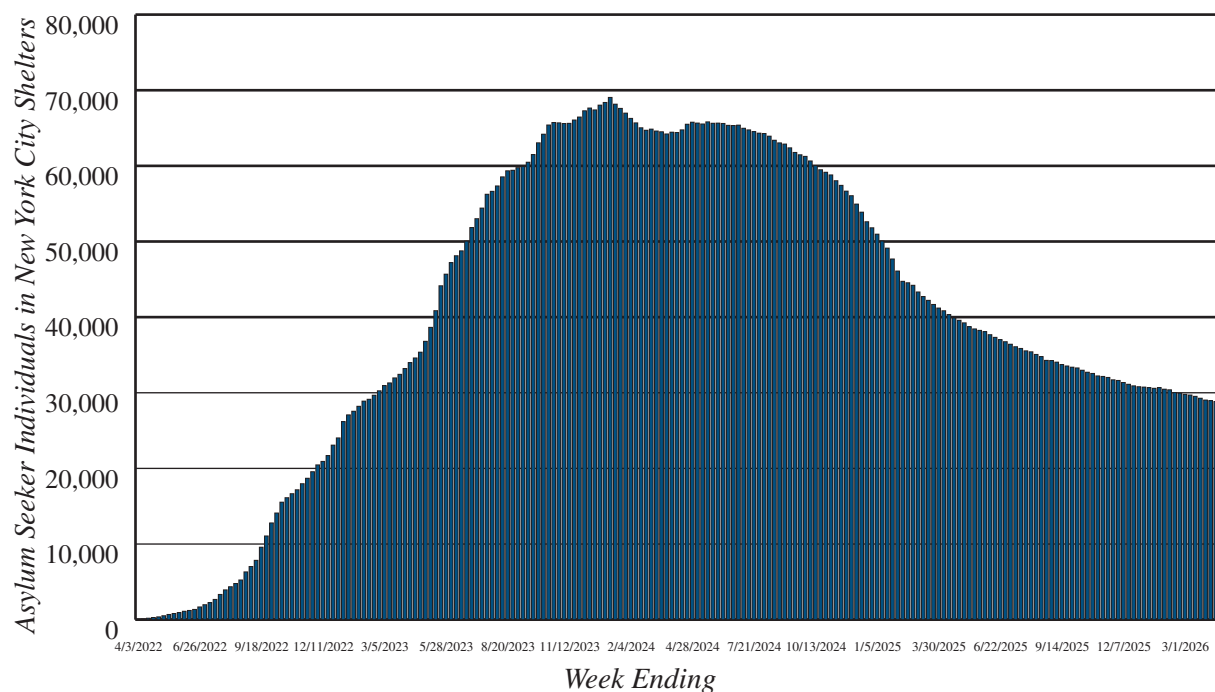
In climate and resiliency funding, the risk profile has improved in the past year. In March 2026, a federal court ruled that the Federal Emergency Management Agency (FEMA) termination of the Building Resilient Infrastructure and Communities program was unlawful. In response, FEMA reinstated existing awards and reopened the program's grant application window with \$1 billion in available funding. This is a significant reversal from the earlier threat that critical climate change mitigation projects across New York would lose support. Still, this episode underscored how exposed the City and State remain to abrupt federal reversals in infrastructure and resilience policy, even where Congress has appropriated funds.

Taken together, these developments mean that the City now faces a more complicated, but in some respects less uniformly negative, landscape than it did a year ago. Some of the most serious federal threats to congestion pricing and resiliency funding have been reversed or blocked, and the specific USDOE DEI-certification threat no longer appears to be operative. But substantial risks remain, including unresolved migrant-funding litigation, no formal action on reinstating antiterrorism funding, continuing federal pressure on transportation funding, broader threats to health and social-service funding, and ongoing tariff and economic uncertainty. The City will therefore continue to require close coordination with State and Federal partners, aggressively pursue legal defense of committed federal funds, and closely monitor federal policy and budgetary actions.

ASYLUM SEEKERS

Since spring 2022, New York City has experienced a large increase in asylum seeker migrants, with over 234,000 individuals seeking help from the City through the end of fiscal year 2025. Many asylum seekers are characterized by economic and health challenges and require deep support from the City to provide food, shelter, and clothing, as well as access to legal and educational resources. At the end of April 2026, approximately 28,400 asylum seekers remained in the City’s care nightly.

ASYLUM SEEKERS IN NEW YORK CITY SHELTER FACILITIES



Source: NYC DSS, NYC H+H, NYC HPD, NYCEM, NYC DYCD, NYC OMB

New York City has made significant investments to care for asylum seekers. The City’s initial response utilized the Department of Homeless Services (DHS) shelter system to house asylum seekers. In October 2022, with significantly increasing numbers of new arrivals, the City declared a state of emergency and created Humanitarian Emergency Response and Relief Centers (HERRCs) to help meet the growing need. Through the course of the emergency response, the asylum seeker shelter system further expanded to include sites managed by agencies including the Department of Housing Preservation and Development (HPD) and New York City Emergency Management (NYCEM). Across all systems, the City opened 259 emergency shelters to house asylum seeker migrants.

The asylum seeker emergency has had a substantial fiscal impact on the City. Between July 2022 and March 2026, the City has spent an estimated \$9.2 billion to support the population. Earlier in the emergency, costs grew significantly over time as the number of asylum seekers in care increased. Quarterly estimated asylum seeker costs increased from \$63.3 million in FY23Q1 to \$924.1 million in FY24Q3, with the population in care peaking at approximately 69,000 individuals in January 2024. Throughout fiscal years 2025 and 2026, the number of asylum seekers in care has steadily declined, and costs have also declined as a result. Quarterly estimated asylum seeker costs decreased from \$896.5 million in FY25Q1 to \$345.4 million in FY26Q3.

During the emergency, the City implemented a series of policy changes to manage growth in the asylum seeker population. In July 2023, the City announced a policy to give adult asylum seeker entrants 60 days' notice to find alternative housing arrangements following intake, pairing the policy with intensive casework services to connect individuals with housing resources. In September 2023, the policy was revised to a 30-day notice period. In October 2023, the City announced an expansion of the policy to include 60-day notices for families with children in non-DHS facilities. Families could re-apply for shelter if they were not able to make alternative housing arrangements at the end of the 60-day period. In March 2024, the City entered into a State Supreme Court approved stipulation revising the City's existing obligations to provide housing to asylum seekers while the State of Emergency remains in effect, unless otherwise ordered by the court. The stipulation gives the City more flexibility in its provision of shelter services to single adult asylum seekers. In May 2024, the City revised the policy to strictly limit adult stays to a 30-day period, granting extension requests to adult migrants that meet exemption criteria.

In addition to the City's actions, the Federal government has taken steps to regulate border crossings. In June 2024, the Biden administration announced an executive order to restrict asylum eligibility during periods of high levels of border encounters. The policy change generated a reduction in border encounters and asylum seeker inflow into the New York City shelter system. In January 2025, additional restrictions implemented by the Trump administration substantially reduced the number of monthly border encounters.

In conjunction, the City and Federal actions have contributed to a slowdown and subsequent decline in the number of asylum seekers in care, with the population steadily declining since Summer 2024.

Average Weekly Change in Asylum Seekers in Care

- FY23: +930 per week.
- FY24: +289 per week.
- FY25: -551 per week.
- FY26 to date: -193 per week.

Since late 2024, sustained reductions in the asylum seeker census have allowed for the closure of dozens of emergency sites, the sunseting of shelter notice

policies, and the gradual consolidation of shelter systems under DHS. Shelter notice policies for asylum seeker families with children sunset in December 2025 with the closure of the last remaining HERRC site for families. As of May 2026, there is only one remaining emergency shelter site being operated outside of the DHS system, exclusively serving single adults.

In January 2026, the City issued a revised emergency executive order continuing the state of emergency and directing DSS and DHS to develop a plan within 45 days, in consultation with the Law Department, to phase out the continued use of shelter facilities that have been operated in reliance on the suspensions and modifications of laws and rules. On February 19, 2026, the City published the Emergency Executive Order 2 (EEO2) Action Plan, outlining strategies to achieve compliance while maintaining human, safe shelter for vulnerable populations. This plan commits to closing the last remaining emergency asylum seeker shelter site being operated outside the DHS system by the end of 2026.

At current trends in the asylum seeker population, the City expects the costs of caring for the asylum seeker population to be \$1.46 billion in fiscal year 2026 and \$1.16 billion in fiscal year 2027.

TAX REVENUE¹

Tax Revenue Summary

NYC's economy expanded at a robust pace in calendar year 2025, associated with strength in financial markets, AI-fueled investment and strong consumption growth. The expanding economy is associated with strong growth in tax revenue collections. Through March 2026, year-to-date collections have increased by 6.5 percent, with particular strength in non-property taxes (+9.1 percent).

Since the publication of the February 2026 Plan, the onset of conflict in the Middle East has generated volatility in financial markets, although recent trends illustrate continued momentum. Wall Street earnings are projected to increase 15 percent year-over-year in the first quarter of calendar year 2026. There remains uncertainty over the course and duration of the conflict in the Middle East, which represents a potential headwind to investment and consumer sentiment.

Forecast Summary for 2026

In 2026, total tax revenue is forecast at \$84.421 billion², increasing 5.1 percent from 2025. The forecast is an \$86 million increase from the February 2026 Plan, reflecting upward revisions in property tax, personal income tax and audit revenue, partially offset by weakness in business and transaction tax collections.

Property taxes are expected to grow 2.6 percent, decelerating from high growth years following the immediate post-pandemic period. Non-property taxes are forecast to increase 6.6 percent, driven in part by record Wall Street profits in calendar year 2025. The strength in financial markets contributes to an increase in personal income taxes (including PTET) of 10.9 percent in 2026. Corporate taxes are expected to decline 6.3 percent in 2026, reflecting in part reduced corporate tax liability associated with the One Big Beautiful Bill Act (OBBBA).

The unincorporated business tax is expected to increase 9.8 percent, continuing robust growth following a 21.3 percent increase in 2025. Transaction taxes are forecast to increase 19.2 percent, continuing strong growth in 2025 of 17.1 percent. Sales tax grows at 5.0 percent as the economy expands. Hotel tax grows at 5.6 percent, associated with steady growth in the average room rate.

Forecast Summary for 2027

In 2027, total tax revenue is forecast at \$88.374 billion³, an increase of 4.7 percent relative to 2026. The forecast represents a \$3.104 billion reduction from the February 2026 Plan. The primary driver of the downward revision is the removal of the proposed increase to the property tax rate from 12.283 to 13.450 percent, associated with a \$3.7 billion reduction in revenue. The reduction associated with property tax is partially offset by small updates to baseline property trends. Two new tax proposals are also included in the Executive Budget: a non-resident-owned high value properties (Pied-a-Terre) surcharge and a reduction in the value of the personal income tax credit for unincorporated business taxes paid for certain taxpayers. The two new tax programs are expected to generate \$568 million in new revenue starting in 2027. Prior to the property tax rate reversal and tax programs, total tax revenue remains unchanged compared to the financial plan released in February. A positive re-estimate of 2027 property taxes of \$538 million as well as an upward revision to the Audit forecast of \$50 million was negatively offset by a reduction in non-property taxes of \$588 million.

Personal income tax has been revised down by \$553 million. The February 2026 Plan was predicated on financial sector momentum contributing to a record level of non-withholding tax collections in 2027. Given increased economic and monetary policy uncertainty following onset of conflict in the Middle East, the non-withholding forecast has been revised down from a record year to an above average year.

Business taxes rebound 13.0 percent as the state and city decouples from provisions in OBBBA to reverse 2026 corporate tax revenue losses. Sales tax increases by 4.5 percent as slowing wage growth contributes to a modest slowdown in sales tax collections. Hotel tax grows at 3.7 percent as the Middle East conflict generates higher jet fuel prices and negative sentiment towards travel to the U.S., leading to constrained growth in tourism industry.

The path of economic growth in calendar year 2026 is uncertain. The onset of conflict in the Middle East has generated increases in oil prices and volatility in financial markets. A prolonged conflict could worsen investor and consumer sentiment and would represent a headwind for the city's tax collection trends.

¹ All years referenced in the Tax section are City fiscal years unless otherwise noted.

² Total figures include \$11 million in city savings associated with changes to Section 1127 waivers.

³ Total figures include \$13 million in city savings associated measures taken by Department of Finance to increase Co-op/Condo Abatement compliance and \$15 million in city savings associated with changes to Section 1127 waivers.

2026 and 2027 Tax Revenue Forecast
(\$ in Millions)

Tax	2026	2027	Increase/(Decrease) From 2026 to 2027	
			Amount	Percent Change
Real Property	\$35,536	\$37,187	\$1,651	4.6%
Personal Income ¹	20,433	20,744	311	1.5%
Business Corporation ²	6,449	7,286	837	13.0%
Unincorporated Business	3,714	3,855	141	3.8%
Sales and Use	10,868	11,358	490	4.5%
Real Property Transfer	1,448	1,514	66	4.6%
Mortgage Recording	962	1,061	99	10.3%
Commercial Rent	950	974	24	2.5%
Utility	517	562	45	8.7%
Hotel	813	843	30	3.7%
Cigarette	12	12	-	0.0%
Cannabis	25	32	7	28.0%
All Other	1,373	1,232	(141)	(10.2%)
Subtotal	\$83,100	\$86,660	\$3,561	4.3%
STAR Aid	105	103	(2)	(1.9%)
Tax Audit Revenue	1,059	929	(130)	(12.3%)
Tax Programs	147	654	507	344.9%
City Savings ³	11	28	17	154.5%
Total †	\$84,421	\$88,374	\$3,953	4.7%

1. Personal Income includes Pass-Through Entity Tax (PTET)

2. Business Corporation Tax Includes both General Corporation and Banking Corporation tax revenues.

3. City savings include Co-op/Condo Abatement Compliance and STAR credit denials for Section 1127 waiver

† Totals may not add due to rounding.

Tax Programs

The May 2026 Plan assumes that a number of revenue actions will become law in advance of the passage of the Adopted budget in June 2026. On net, these actions will change revenues by \$147 million in 2026, \$654 million in 2027, \$611 million in 2028, \$493 million in 2029 and \$492 million in 2030. The assumed actions are described below and are not yet incorporated in the individual tax forecasts. The high value property surcharge and the reduction in the PIT tax credit for UBT paid for certain taxpayers reflect new proposals not included in the February 2026 Plan, while the other revenue actions were incorporated previously.

High Value Property Surcharge

A new property tax surcharge on high-value non-primary homes is expected to take effect beginning in 2027. The surcharge will be levied on the market value of eligible Class 1 and residential Class 2 properties

(condo/co-ops) that are valued over \$5 million. The rate at which the surcharge will be applied has not been determined at the time of this publication. This surcharge is expected to generate \$500 million in 2027, and an average of \$500 million annually in 2028-2030.

Reversal of Sales Tax Intercept for the Distressed Provider Assistance Account

The NYS Comptroller's Office intercepts a certain amount of sales tax collections each year and reappropriates them for alternative purposes away from NYC revenue. One such intercept is the distressed hospital intercept which reallocates an amount set by legislation to aid hospitals and nursing homes with financial issues.

In 2020, NYS was set to intercept a portion of NYC sales tax collections and redirect them to the New York State Agency Trust Fund, under a Distressed Provider Assistance Account, for the purpose of relief

for financially distressed hospitals and nursing home facilities (with the first three payments deferred until January 2021). Initially set to expire after two years at \$50 million per quarter, the intercept payment was changed to \$37.5 million quarterly and extended most recently through March 31, 2028. The elimination of the distressed provider assistance account intercept will return to the city \$150 million in 2026, \$150 million in 2027, and \$113 million in 2028.

This proposal requests a reversal of these intercepts as the revenue generated is based on the city's tax base and local sales tax rate and therefore should be utilized based on the city's discretion.

Reduction to the Personal Income Tax Credit for Unincorporated Business Taxes Paid

NYC has taxes on both personal income and unincorporated business income. To reduce this burden on taxpayers required to pay both PIT and UBT, NYC has a UBT paid credit taxpayers can claim on personal income tax returns. This proposal would reduce the PIT credit for UBT paid for taxpayers with incomes over \$142,000. Currently those with incomes over \$142,000 are permitted a credit worth 23 percent of UBT paid. This new proposal would reduce the allowable credit from 23 percent to 15 percent for taxpayers with incomes between \$142,000 and \$1 million according to a formula that equitably distributes the tax burden, reducing the tax increase for middle income taxpayers while reducing the allowable credit to the minimum level for taxpayers with over \$1 million in income. This change will save the city \$68 million in 2027, \$69 million in 2028, \$71 million in 2029, and \$74 million in 2030. The benefit of this tax credit has historically accrued to primarily high-income earners.

Extend the Sales Tax Exemption for Vending Machines in the NYS SFY27 Executive Budget

This proposal extends the current sales tax exemption on certain food and drink purchases from vending machines for an additional three years. Currently the law exempts purchases of certain food and drink items up to \$1.50 on vending machines that only accept coin or currency, or up to \$2.00 on vending machines that accept a payment in a form other than coin or currency (regardless of if coin or currency is accepted at that machine). This would extend the exemption through May 31, 2029. This provision will cost NYC \$3 million in 2026, \$4 million in 2027, \$4 million in 2028, and \$4 million in 2029.

SCRIE and DRIE Threshold Increase in the NYS SFY27 Executive Budget

The proposal increases the income eligibility threshold from \$50,000 to \$75,000 for recipients of Senior Citizen Rent Increase Exemption and Disabled Person Rent Increase Exemption (SCRIE and DRIE) without requiring additional local legislation to be passed. It also extends the SCRIE and DRIE programs through 2028. This proposal will cost NYC \$4 million in 2027, \$9 million in 2028, \$13 million in 2029, and \$18 million in 2030.

PIT Exemption for Tipped Income in the NYS SFY27 Executive Budget

As part of OBBBA, the federal government began permitting taxpayers in tax year 2025 to deduct up to \$25,000 worth of qualified tips from their income before calculating tax liability. Within the NYS SFY27 Executive Budget the Governor proposes coupling to this federal provision, thereby allowing taxpayers the same \$25,000 deduction on both their NYS and NYC taxes beginning in tax year 2026. This provision will cost NYC \$56 million in 2027, \$58 million in 2028, \$61 million in 2029, and \$64 million in 2030.

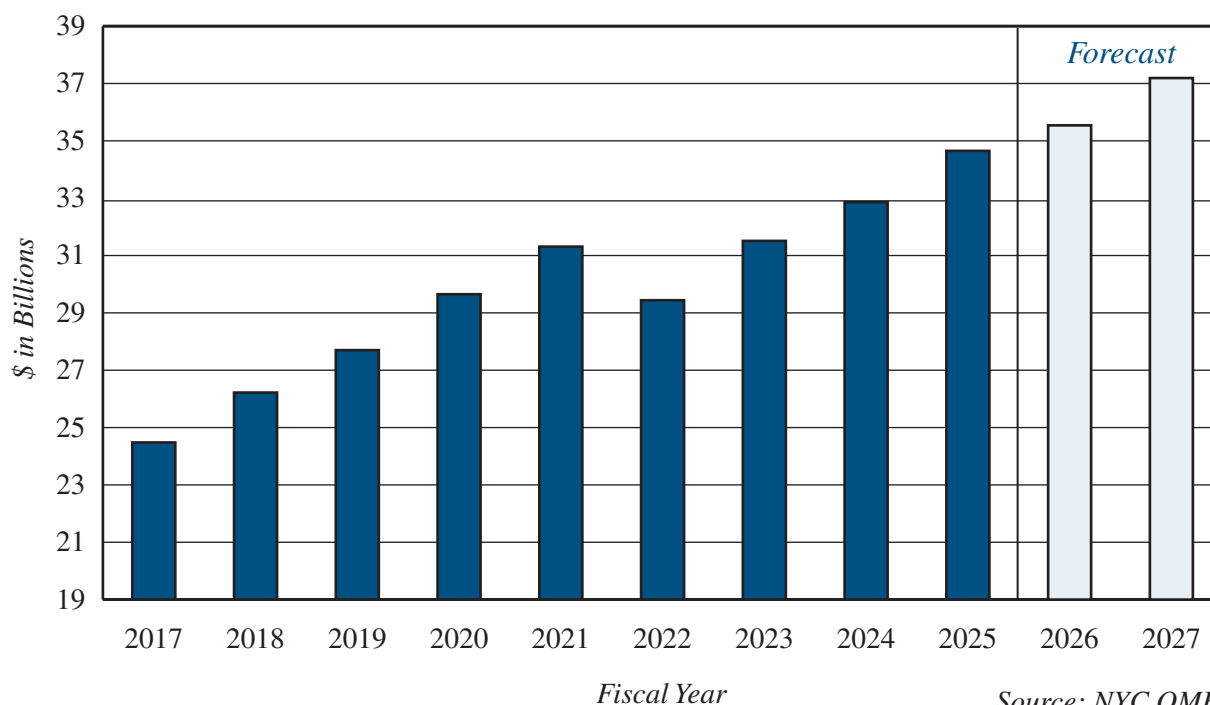
Tax Programs (Not Enacted)
(\$ in Millions)

	2026f	2027f	2028f	2029f	2030f
RPT High Value Property Surcharge.....	\$0	\$500	\$500	\$500	\$500
STX End of Distressed Provider Assistance Account					
Sales Tax Intercept	150	150	113	0	0
PIT Reduction of UBT Credit.....	0	68	69	71	74
STX Sales Tax Exemption for Vending Machines.....	-3	-4	-4	-4	0
RPT SCRIE/DRIE Increase threshold from \$50k to \$75k.....	0	-4	-9	-13	-18
PIT Eliminate Income Tax on Tipped Wages	0	-56	-58	-61	-64
Total	\$147	\$654	\$611	\$493	\$492

f = Forecast.

REAL PROPERTY TAX

REAL PROPERTY TAX 2017 - 2027



Distribution of Property Parcels by Class

	Parcels*	Percentage Share
Class 1	698,508	62.90%
Class 2	310,114	27.93%
Class 3	292	0.03%
Class 4	101,510	9.14%
Citywide	1,110,424	100.00%

* FY 2026 final roll

In 2027, real property tax (RPT) revenue is forecast at \$37.187 billion, accounting for 42.1 percent of total tax revenue.

2026 Forecast

RPT revenue is forecast at \$35.536 billion in 2026, growth of 2.6 percent over the prior year. This estimate is an increase of \$175 million over the February 2026 Plan. The increase reflects lower than expected tax expenditures as well as tax collections trending higher than expected.

2027 Forecast

In 2027, RPT revenue is forecast at \$37.187 billion, growth of 4.6 percent over the current year, and \$3.162 billion decrease from the February 2026 Plan. The levy projection is based on the Department of Finance's (DOF) 2027 tentative roll published on January 15th, 2026. The tentative roll values are then adjusted to reflect processes taking place between the tentative and final roll publication, yielding the projected final roll estimates. The final roll will be released on or about May 25, 2026. The decrease in revenue in 2027 is due to the removal of \$3.7 billion related to the 9.5 percent property tax rate increase that was included in the previous plan.

Based on the 2027 final roll estimates, year-over-year taxable billable assessed value (TBAV) growth rates for Class 1, Class 2, Class 3, and Class 4 are 3.6 percent, 5.3 percent, 7.1 percent, and 4.7 percent, respectively. Citywide, overall TBAV is expected to grow by 5.1 percent in 2027. This is slightly higher growth than what was anticipated in the February 2026 Plan. However, due to the property tax rate being reduced back down to 12.283 percent, the levy is projected to decrease significantly relative to previous plan.

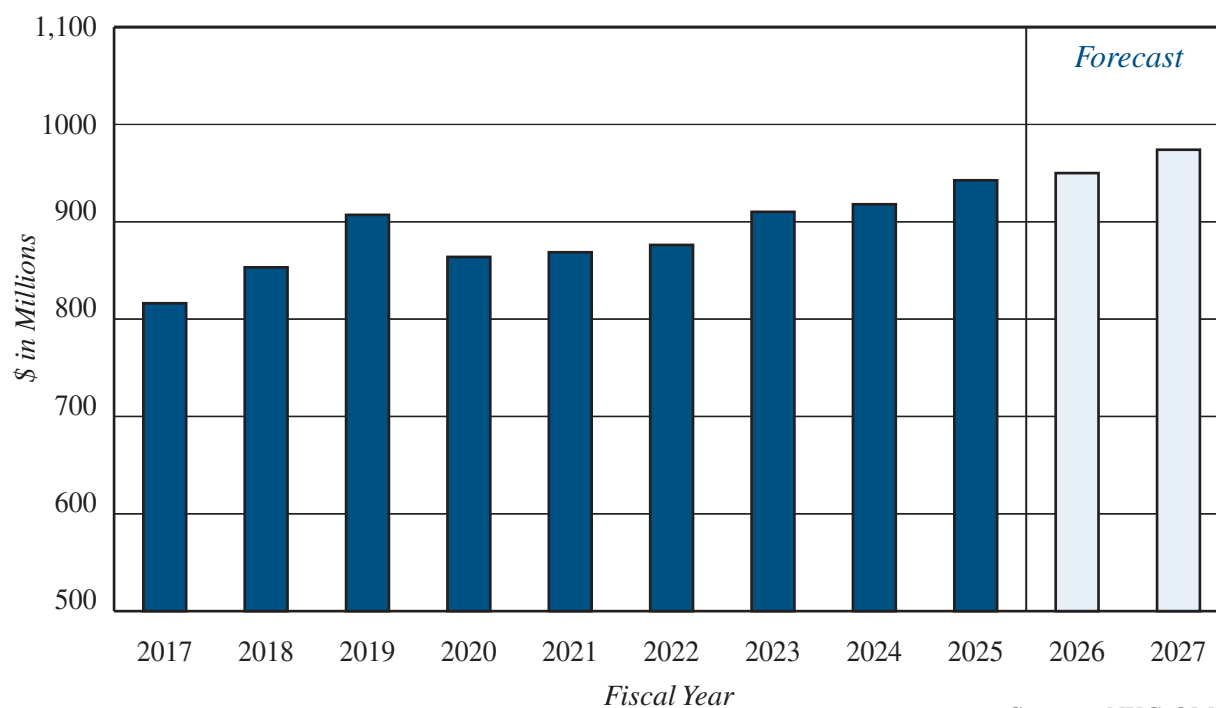
In addition to levy changes in 2027, the forecast also includes a decrease in the property tax reserve components to better align with historic averages. As the reserve consists mainly of as-of-right tax programs and other components that are reduced from the levy, a lower reserve leads to an increase in RPT revenue. The ratio of reserve components to levy was revised down from 7.4 percent at the time of the February 2026 Plan to 6.8 percent in the current plan.

Out-year Forecast

From 2028 through 2030, RPT revenue is expected to grow an average of 2.8 percent per year. However, due to the plan over plan reduction in the property tax rate, revenue for all out-years is forecast to be significantly less than the February 2026 Plan.

COMMERCIAL RENT TAX

COMMERCIAL RENT TAX 2017 - 2027



Source: NYC OMB

The commercial rent tax (CRT) is projected to account for 1.1 percent of total tax revenue in 2027, or \$974 million.

2026 Forecast: CRT revenue is forecast at \$950 million in 2026, a modest 0.8 percent increase over the prior year. There is no change from the February 2026 Plan, as year-to-date collections remain consistent with prior plan growth assumptions. However, Manhattan office market conditions have improved modestly compared to prior plan, particularly, office-using employment trends and the pace of vacancy rate decline.

Office-using sectors – particularly financial activities and information, recorded strong job gains early CY 2026. These sectors, which account for approximately 30 percent of CRT payers, tend to pursue relocations and expansions in premium office space in the most competitive corners of Manhattan, generating higher effective rents and, consequently, higher CRT liability.¹

The shift is visible in the leasing data. The first quarter of CY 2026 represents the highest Manhattan new leasing volume since the second quarter of CY 2019 and the strongest first-quarter performance since CY 2014. Total leasing for large scale transactions reached 6.4 million square feet, nearly double the prior year for a comparable number of transactions.² Notable leases include Bank of America in Midtown and American Express in Downtown, each leasing approximately two million square feet and together accounting for roughly two-thirds of the record. Leasing activity has also been supported by expansion among technology firms, including those in artificial intelligence, which have increased their average lease sizes.

Class A office vacancy rates are expected to continue to decline, reflecting ongoing flight-to-quality dynamics and office-to-residential conversions. The resulting contraction in available inventory has contributed to upward pressure on asking rents, which have reached their highest levels since CY 2008. Midtown South provides a clear example, where Class A rents increased by approximately \$5 per square foot year-over-year.

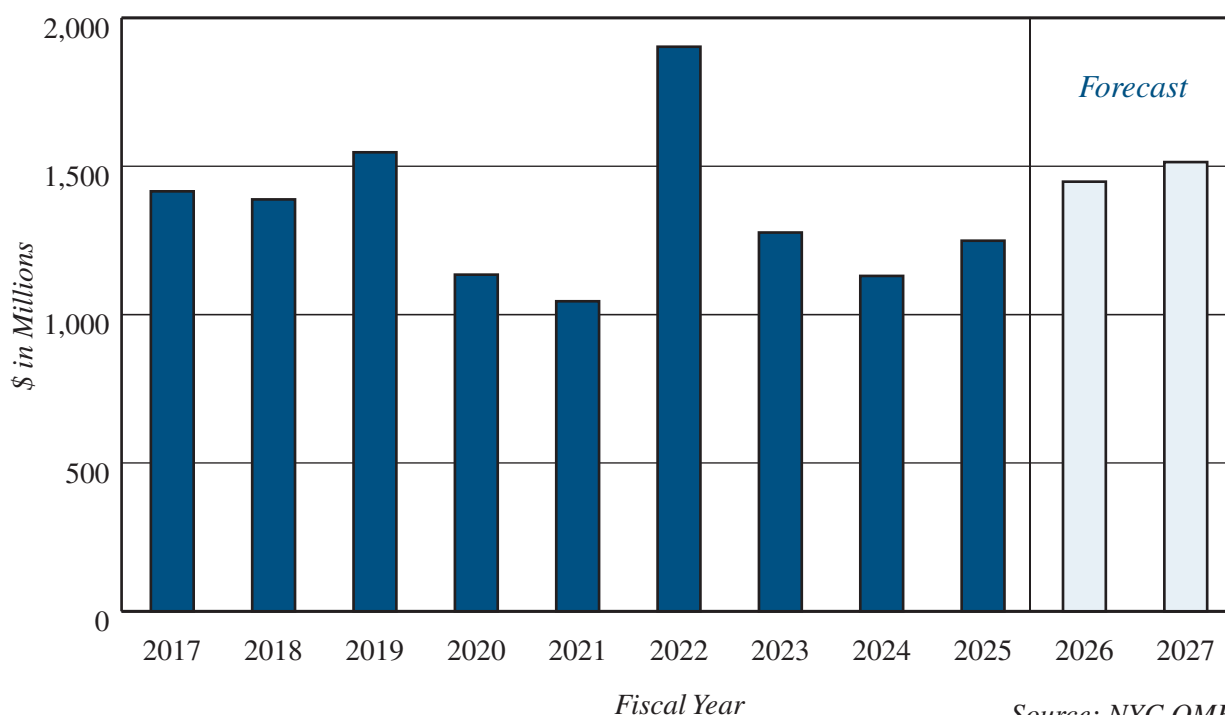
¹ TAMI (technology, advertising, media, and information services) and FIRE (financial services, insurance, and real estate) sectors accounted for approximately two-thirds of CRT Revenue in CY 2025.

² Lease transactions exceeding 100,000 square feet

2027 Forecast: CRT revenue in 2027 is forecast at \$974 million, growth of 2.5 percent over 2026. Growth is supported by continued leasing activity among office-using sectors concentrated in higher-quality office spaces. At the same time, the continued conversion of offices to residential will likely put downward pressure on CRT growth. Beyond 2027, growth is projected to moderate, averaging 1.4 percent annually through 2030, consistent with stabilization in office market conditions.

REAL PROPERTY TRANSFER TAX

REAL PROPERTY TRANSFER TAX 2017 - 2027



The real property transfer tax (RPTT) is projected to account for 1.7 percent of total tax revenue in 2027, or \$1.514 billion.

2026 Forecast: Real property transfer tax revenue is forecast at \$1.448 billion, an increase of 15.9 percent over the prior year, and \$25 million below the February 2026 Plan estimate.

Revenue from residential transactions is forecast to increase 8.0 percent in 2026. The current forecast reflects a slight increase in home prices caused by a lack of supply in the housing market. Compared to 2025, the 2026 forecast also reflects a minor increase in year-to-date transaction volume through March as interest rates are slightly lower from last year's heights. However, the interest rate forecast's slow descent continues to impact inventory levels as homeowners who bought or refinanced with low interest rates are still reluctant to sell their homes and buy another with a higher interest rate mortgage.

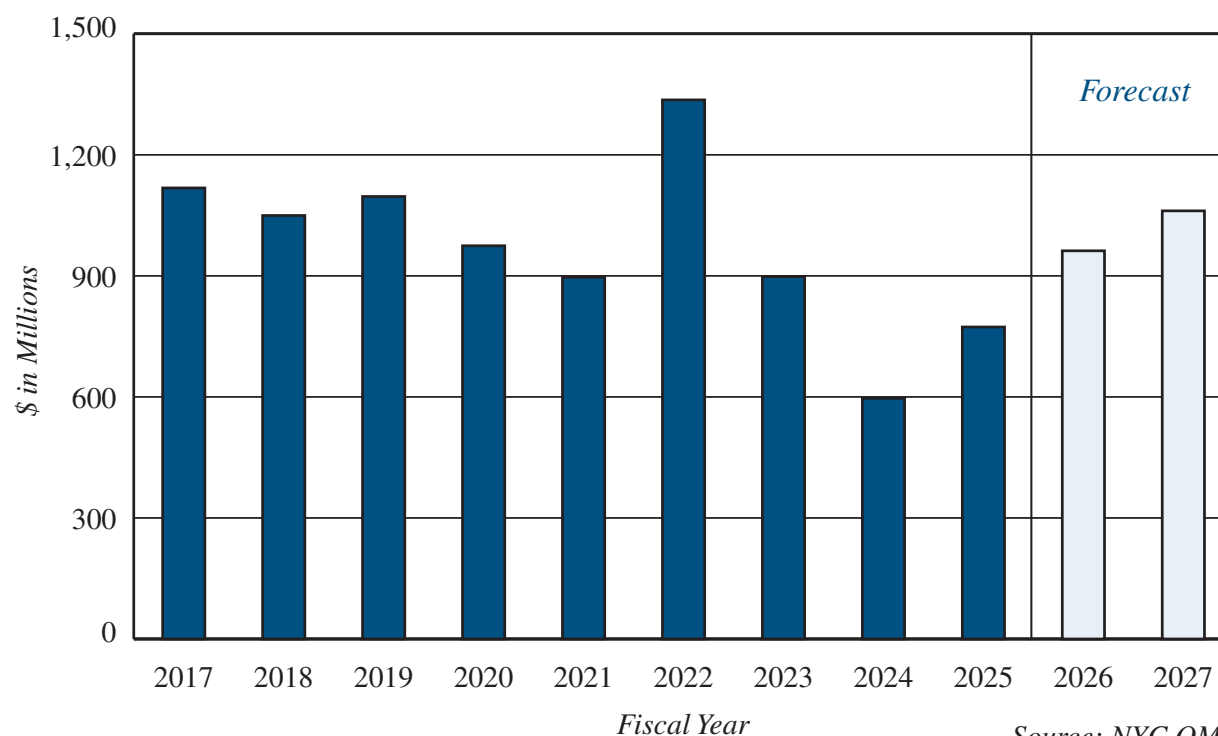
Revenue from commercial transactions is forecast to rise 28.5 percent in 2026, indicating a rebound from last year's lows as interest rates slowly ease from their recent peaks. December and January saw spikes in revenue from end of year closings and large transactions, especially coming from the acquisition of the Paramount Group by Rithm Capital which resulted in almost \$58 million to the general fund upon closing in January. However, the commercial market shows mixed signals. Many of these large commercial transactions are distressed, selling either at a loss under default or near default conditions. The Federal Reserve suggests an "extend-and-pretend" dynamic which may have encouraged owners to retain properties longer by extending loan terms in anticipation of improved commercial real estate market conditions.¹ As these loans reach maturity, some owners may now be forced to sell at reduced prices, contributing to increased transaction activity, and in turn, higher commercial transaction taxes. This considered, it is still unclear how significant this effect is on overall commercial revenue, which has shown strong growth and has grown to near pre-COVID levels this year.

¹ Crosignani, Matteo, and Saketh Prazad. "Extend-And-Pretend in the U.S. CRE Market." Staff Reports (Federal Reserve Bank of New York), Oct. 2024, www.newyorkfed.org/medialibrary/media/research/staff_reports/sr1130.pdf?sc_lang=en, <https://doi.org/10.59576/sr.1130>. Accessed 24 Apr. 2026.

2027 Forecast: Real property transfer tax revenue is forecast at \$1.514 billion in 2027, 4.6 percent growth over the current year, and \$15 million below the February 2026 Plan estimate. This decline in 2027 is primarily driven by lower projected residential sales, as fewer interest rate cuts are expected and home prices remain elevated due to limited supply. Commercial revenue is forecast to grow in 2027 at a rate of 3.9 percent. Total RPTT growth is expected to average 3.7 percent from 2028 through 2030.

MORTGAGE RECORDING TAX

MORTGAGE RECORDING TAX 2017 - 2027



The mortgage recording tax (MRT) is projected to account for 1.2 percent of total tax revenue in 2027, or \$1.061 billion.

2026 Forecast: Mortgage recording tax revenue is forecast at \$962 million for 2026, an increase of 24.4 percent over the prior year and \$53 million below the February 2026 Financial Plan. This decrease from prior plan is due to a slowdown in collections starting in March 2026.

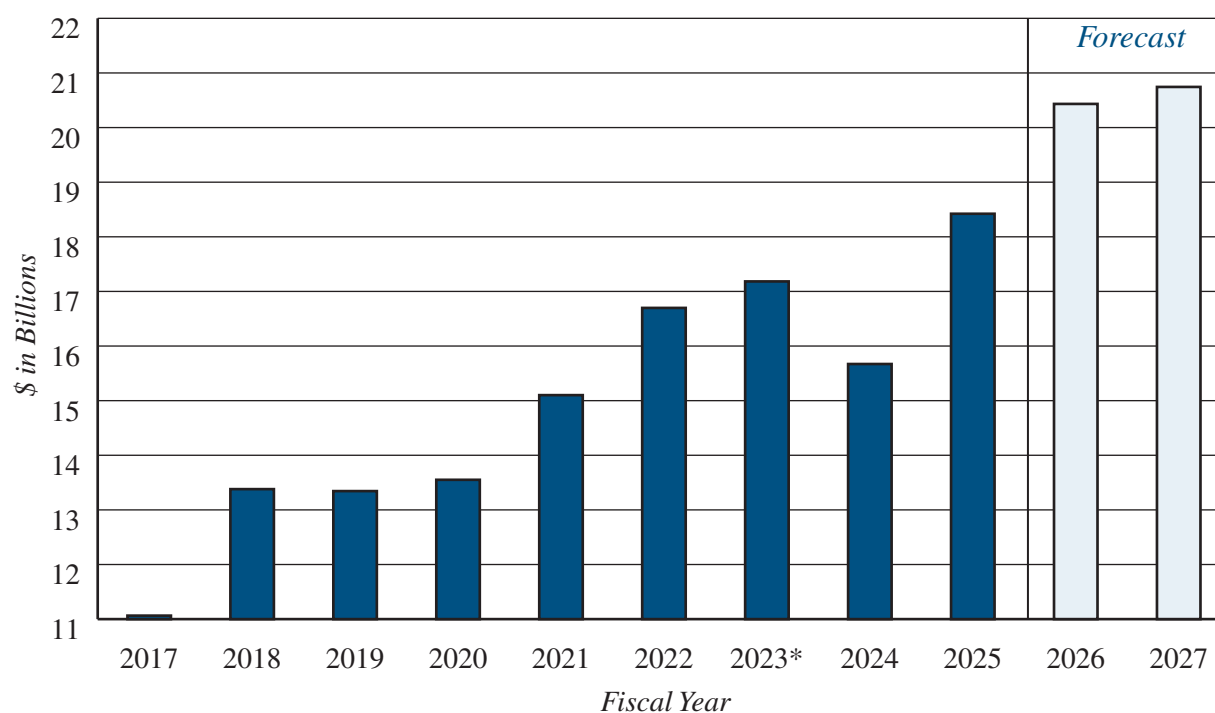
Still, this increase from 2025 mirrors the changes seen in the residential and commercial RPTT forecast. Revenue from residential mortgages is forecast to increase 16.7 percent in 2026. While interest rates haven't decreased significantly, the minor improvement has led to a slight increase in refinancing as well as new mortgages for purchases. Revenue from commercial mortgages is forecast to increase 31.2 percent in 2026. Similar to commercial RPTT, there is a rebound in commercial MRT revenue from the prior year.

2027 Forecast: Mortgage recording tax revenue is forecast at \$1.061 billion, an increase of 10.3 percent over the current year, and an \$11 million decrease from the February 2026 Plan. This decrease from the prior plan reflects a less optimistic forecast on residential transactions and financing as low supply is driving up prices and interest rate cuts are anticipated to slow.

However, revenue from residential mortgage recordings is forecast to still grow 15.4 percent in 2027. Residential MRT is forecast to average 5.8 percent growth from 2028 through 2030. Commercial MRT revenue is forecast to increase 6.3 percent in 2027, a growth accounting for modest potential interest rate cuts. Commercial MRT growth is 0.7 percent from 2028 through 2030.

PERSONAL INCOME TAX

PERSONAL INCOME TAX AND PASS-THROUGH ENTITY TAX 2017 - 2027



Note: Revenues include PTET from 2023 onwards

Source: NYC OMB

In 2027, revenues for the personal income tax (PIT) and the pass-through entity tax (PTET) combined are forecast to account for 23.5 percent of total tax revenues, or \$20.744 billion.

2026 Forecast:

In 2026, the PIT and the PTET are forecast to have a year-over-year growth of 10.9 percent and an increase of \$150 million over the prior plan, reaching \$20.433 billion. Year-to-date through March, PIT and PTET collections are up 13.3 percent, driven by a simultaneous growth in withholding and non-withholding collections. Withholding collections are up 7.6 percent as wages have continued to grow and non-withholding collections are up 36.0 percent as financial markets perform exceptionally well.

In 2026, bonus withholding collections hit a record high of \$2.007 billion, a 7.4 percent increase over the collections of the previous year, which grew 37.6 percent. Bonus collections topped historic levels as security sector bonus compensation and Wall Street

profits recorded all-time highs. Additionally, non-bonus or base withholding collections also performed well, further augmenting withholding growth in 2026. Base withholding, which is correlated to broader wages and is more stable, is estimated to have grown by 7.6 percent in 2026.¹ As a result, withholding collections are forecast to increase 7.4 percent to \$14.358 billion in 2026.

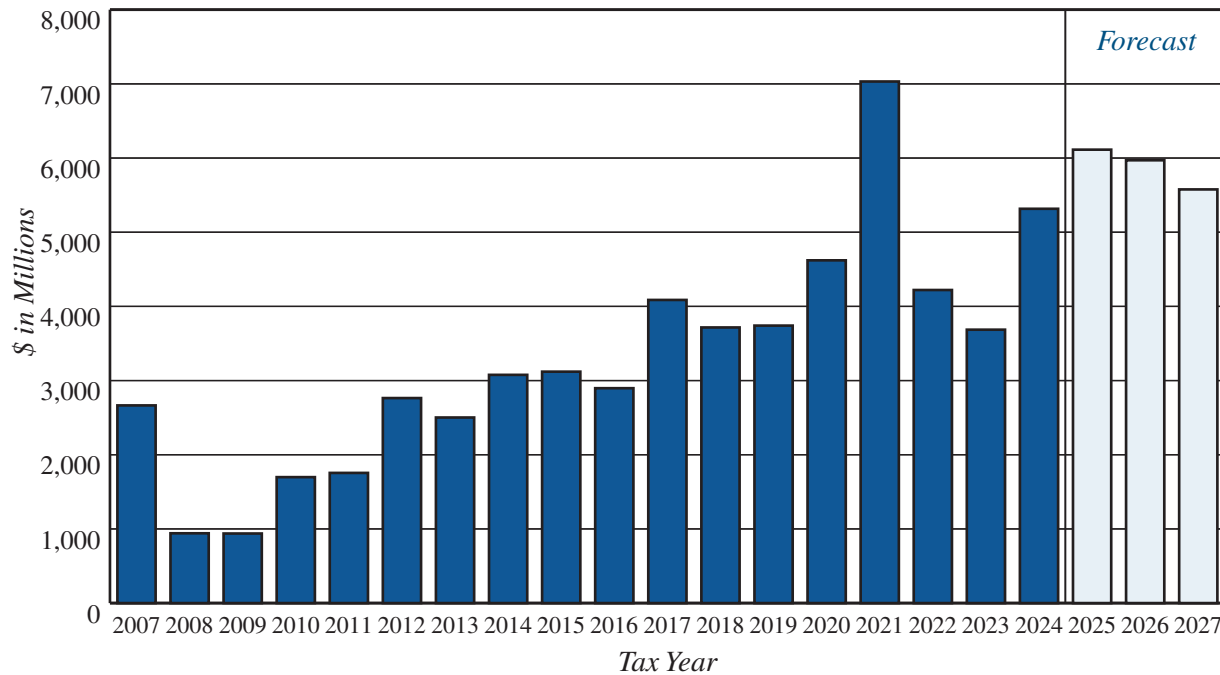
Non-withholding components, including PTET, are revised upwards \$174 million over the prior plan. The two key factors driving the non-withholding forecast are capital gains and interest income. Following average capital gains realizations in calendar years (CY) 2022 and 2023, 2024 recorded a strong rebound of 65.6 percent, totaling \$64.3 billion. Capital gains realizations are estimated to have posted an even better year in CY 2025 as the S&P 500 equity index and Wall Street profits hit record highs. The current forecast assumes a 45.7 percent growth, with capital gains realizations estimated to reach \$93.7 billion, the second highest level on record. Additionally, interest income, which is strongly correlated with benchmark interest

¹ Base withholding is calculated using the average daily withholding from July through November each year. Bonus withholding is calculated by subtracting the base withholding from the total withholdings from December through March.

rates, has seen extraordinary growth. Interest income, increased 112.2 percent in CY 2023, and 73.3 percent in CY 2024 to \$31.9 billion, reflecting a higher interest rate environment and Federal Reserve rate hikes. In CY 2025, taxable interest income is forecast at \$32.8

billion, 3.0 percent growth, as benchmark interest rates have remained higher for longer than anticipated. Non-withholding collections are forecast to reach a near record level, totaling \$6.075 billion in 2026, a 20.1 percent increase.

NON-WITHHOLDING PAYMENTS



Note: Non-Withholding Payments consist of estimated, offset, finals, refund, PTET, assessments and charges payments

Source: NYC OMB

2027 Forecast:

In 2027, PIT and PTET revenue is forecast to total \$20.744 billion, a \$553 million downward revision from the preliminary financial plan released in February, with 1.5 percent growth year-over-year. Plan-over-plan revisions project non-withholding as the major source of weakness coupled with a deceleration in withholding collections.

Withholding collections are forecast at \$14.777 billion, a \$125 million plan-over-plan downward revision. Following a 7.4 percent growth in 2026, withholding is forecast to decelerate, growing 2.9 percent in 2027. Bonus withholding collections, which are the most volatile component of withholding collections, are forecast to decline 12.5 percent as financial market activity falls from the record calendar year 2025 activity. Beyond the decline in the Wall Street sensitive bonus withholding, base withholding is forecast to remain at a respectable pace of 5.1 percent growth correlated to modest overall labor market gains.

In 2027, non-withholding revenues, including PTET, have been revised down \$428 million, a

decline of 1.8 percent to \$5.967 billion. Though non-withholding revenues are lower plan-over-plan, the overall level of collections remains high. Economic and monetary policy uncertainty is forecast to weigh on financial markets, impacting capital gains and interest income. Hence, capital gains are forecast to drop in CY 2026 by 0.8 percent and CY 2027 by 10.2 percent, with realizations still robust at \$93.0 billion in CY 2026 and \$83.5 billion in CY 2027. Additionally, interest income is expected to decrease only slightly as the Federal Reserve lowers benchmark interest rates, albeit less drastically than previously thought – awaiting to determine the inflationary impacts from conflicts in the Middle East. As a result, in CY 2026 interest income is forecast to total \$29.8 billion, a slight decline in percentage terms but still historically above trend in level terms. Therefore, downward pressure on capital gains and interest income is forecast to subdue non-withholding collections in 2027, leading to a year-over-year decline.

In the out-years, the forecast expects average growth of 1.7 percent from 2028 and out.

Personal Income Tax and Pass-through Entity Tax Forecast
(\$ in Millions)

	2025	2026 ^f	2027 ^f	2028 ^f	2029 ^f	2030 ^f
Personal Income Tax.....	16,059	17,522	18,318	18,816	19,082	19,583
Pass-Through Entity Tax	2,364	2,911	2,426	2,411	2,293	2,261
Total Revenue	18,422	20,433	20,744	21,227	21,375	21,844

f = Forecast.

Personal Income Tax Collections By Component
(\$ in Millions)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026 ^f	2027 ^f
Withholding	\$8,169	\$9,360	\$9,641	\$9,972	\$9,834	\$10,925	\$11,464	\$12,090	\$13,363	\$14,358	\$14,777
Estimated Payments ¹	2,633	3,717	3,129	3,059	4,208	4,692	2,219	2,106	2,632	3,073	3,124
Final Returns	408	410	541	556	750	839	666	550	710	825	915
Other ²	1,038	1,146	1,332	1,236	1,523	1,528	2,401	1,307	1,637	1,766	2,024
Gross Collections	\$12,248	\$14,633	\$14,643	\$14,823	\$16,315	\$17,983	\$16,750	\$16,053	\$18,343	\$20,022	\$20,840
Refunds	(1,183)	(1,253)	(1,299)	(1,272)	(1,214)	(1,285)	(1,955)	(2,039)	(2,284)	(2,500)	(2,522)
Net Collections	\$11,064	\$13,380	\$13,344	\$13,551	\$15,101	\$16,698	\$14,796	\$14,014	\$16,059	\$17,522	\$18,318
PTET							\$2,387	\$1,657	\$2,364	\$2,911	\$2,426
Total Non-withholding ³	\$2,895	\$4,020	\$3,703	\$3,579	\$5,267	\$5,773	\$5,719	\$3,581	\$5,059	\$6,075	\$5,967
Total	<u>\$11,064</u>	<u>\$13,380</u>	<u>\$13,344</u>	<u>\$13,551</u>	<u>\$15,101</u>	<u>\$16,698</u>	<u>\$17,183</u>	<u>\$15,671</u>	<u>\$18,422</u>	<u>\$20,433</u>	<u>\$20,744</u>

1 Includes extension payments.

2 Offsets, charges, assessments less City audits.

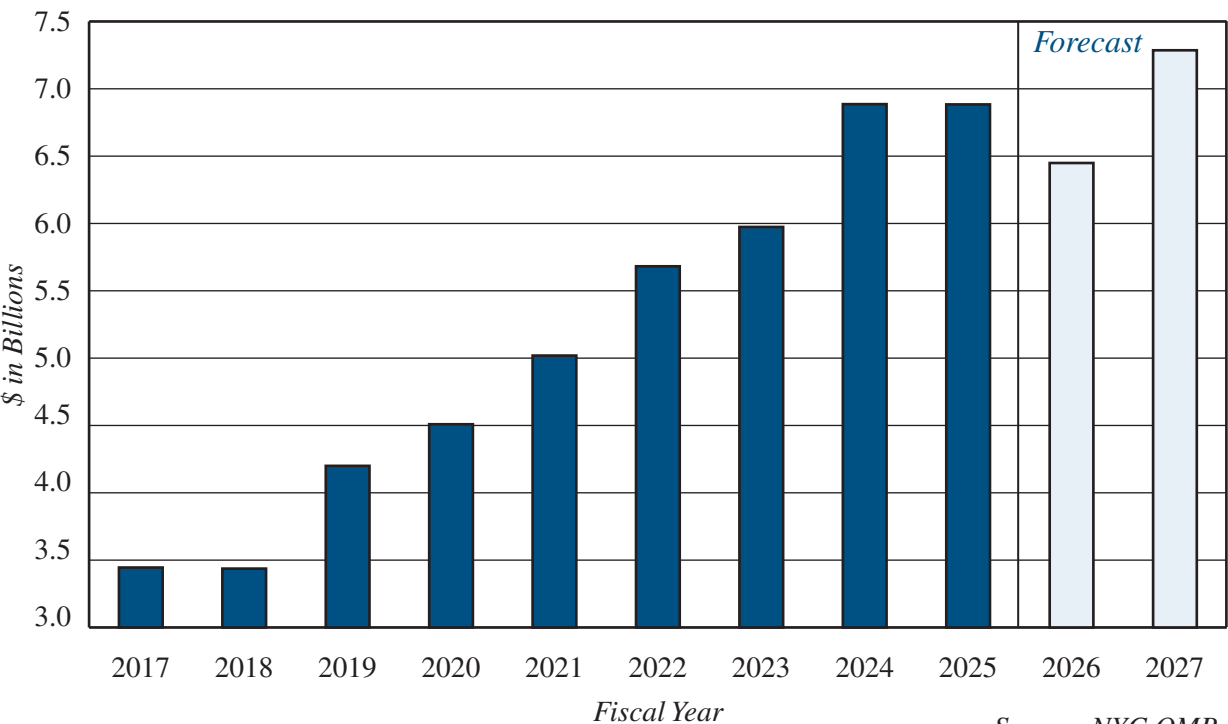
3 Sum of all Non-Withholding Components including PTET

f = Forecast.

Totals may not add due to rounding.

BUSINESS CORPORATION TAX

BUSINESS CORPORATION TAX 2017 - 2027



Source: NYC OMB

The business corporation tax is forecast to account for 8.2 percent of the total tax revenue in 2027, or \$7.286 billion.

2026 Forecast:

Business corporation tax revenues are forecast to decline 6.3 percent to \$6.449 billion in 2026, a decrease of \$352 million over the February 2026 Plan. Year-to-date through March, business corporation tax collections fell 6.7 percent year-over-year, with major contractions from non-finance industries, while finance has had an offsetting effect.

Non-finance collections have plummeted 9.5 percent year-to-date through March, with every deadline month posting substantial declines. Much of the weakness in non-finance is consistent with the impact of federal policy, including tariffs, and, more importantly, the One Big Beautiful Bill Act (OBBBA). OBBBA generally allows for accelerated expensing or depreciation of certain business items and assets, reducing near-term taxable income. These provisions may be relevant for sectors such as information and

manufacturing which are more likely to benefit from faster cost recovery. Revenue collections trends have mirrored this as the information sector contracted 28.9 percent and manufacturing nearly halved, with a 45.1 percent decline year-to-date through March. It is estimated that the provisions lowered corporate tax collections by up to \$489 million in 2026. In addition to OBBBA, tariff-related cost pressures and weaker business confidence have likely compressed margins in some industries, such as trade, with a 9.6 percent decline, and services, down 4.3 percent year-to-date. Non-finance collections are forecast to decline 10.2 percent in 2026 in line with the current trends.

In contrast, collections from the finance sector have grown 4.4 percent year-to-date through March. The performance was mainly driven by securities and commodities, which soared 15.3 percent, reflecting strong investment banking performance on Wall Street. NYSE member firm profits rose over 30 percent to a record high in CY 2025, supported by a rebound in mergers and acquisitions and broader dealmaking activity. Trading and asset management also remained elevated, and large banks continued to benefit from

high interest rates. These positive conditions support a forecast of 4.7 percent growth in finance collections in 2026.

Overall, business corporation tax revenues are forecast to decline 6.3 percent in 2026, reflecting erosion related to OBBBA in non-finance collections, and partially offset by continued strength in finance.

2027 Forecast:

Corporate tax collections are forecast to rebound 13.0 percent in 2027, totaling \$7.286 billion. This level remains unchanged compared to the February 2026 Plan.

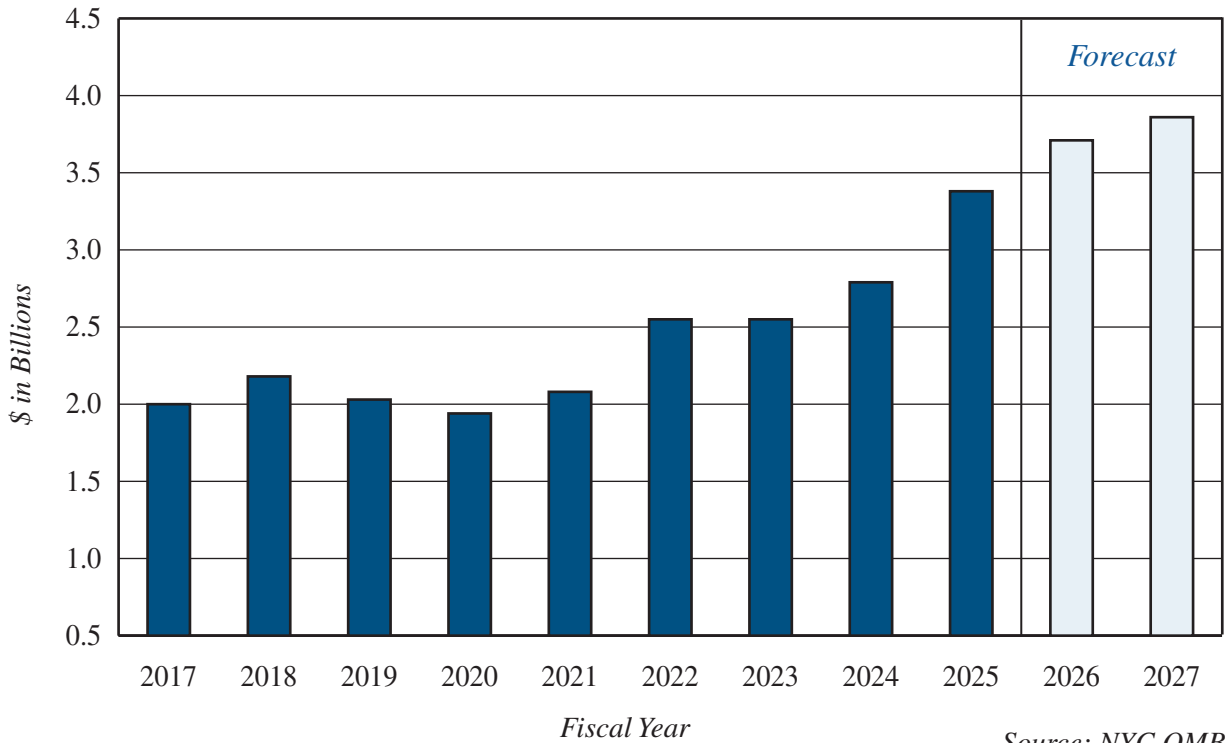
Corporate profitability is expected to have a positive trajectory in 2027 and into the out-years, bolstered especially by the technology and information industries. Beyond the economic outlook, the city is expected to decouple from OBBBA provisions that have suppressed tax liability for certain non-finance industries. The forecast projects a reversal of the erosions of OBBBA, and retroactive recoupment of liability associated with tax year 2025. Consequently, collections from non-finance are expected to return to more typical levels totaling approximately \$5.156 billion in 2027 and \$5.729 billion in 2028. Thereafter, collections are forecast to slow, averaging 3.1 percent in 2029 and 2030, as cashflows normalize following the recoupment of lost revenues related to OBBBA.

NYSE profits are projected to decline but remain above historical levels in CY 2026 and fall back further in CY 2027. This mainly reflects a slowdown from the record Wall Street high of 2025, as well as the effects of rising geopolitical tensions on dealmaking and banking performance. These conditions are expected to have a suppressing effect on collections from the finance sector, dropping 10.1 percent in 2027. Collections are projected to sustain four consecutive years of decline from elevated 2026 levels, starting 2027 through 2030, returning to long-run averages.

Overall, corporate tax revenues are expected to grow 13.0 percent in 2027, reflecting a bounce back in non-finance collections that more than offset a decline in finance. From 2028 to 2030, overall corporate tax revenues are expected to decline at an average of 3.2 percent, as non-finance collections settle after the rebound related to OBBBA, and finance returns to long-run trends.

UNINCORPORATED BUSINESS TAX

UNINCORPORATED BUSINESS TAX 2017 - 2027



Unincorporated Business Tax (UBT) is projected to account for 4.4 percent of the total tax revenue in 2027, or \$3.855 billion.

2026 Forecast:

Following a record 21.3 percent growth in 2025, the current year forecast anticipates UBT to decelerate to a still impressive growth of 9.8 percent. Overall collections in 2026 are projected to be the highest on record, with UBT continuing to grow as a share of business income taxes. In 2026, revenues are expected to reach \$3.714 billion, or \$45 million above the February 2026 Plan. Year-to-date collections through March grew 9.9 percent year-over-year, driven by both the finance and non-finance sectors.

Finance sector collections are up 8.5 percent year-to-date through March, mainly driven by a 10.1 percent upswing in securities and commodities, which typically comprises the bulk of UBT finance receipts. Hedge funds had exemplary performance last year, supported by elevated market volatility, asset price growth,

and sustained investor enthusiasm for AI-driven profitability. Assets under management reached an all-time high, reinforcing a positive outlook for upcoming collections. Finance collections are forecast to grow 15.3 percent in 2026.

Non-finance collections grew 13.5 percent year-to-date through March. This was driven by continued strength in the services sector, up 9.1 percent. Non-finance partnerships and proprietorships benefited from high activity in Wall Street, including dealmaking, private credit, and asset management. The forecast anticipates a growth rate of 4.3 percent in non-finance collections in tandem with the strong historical trends.

2027 Forecast:

UBT revenue is projected to reach \$3.855 billion, growing 3.8 percent, and \$67 million above the February 2026 Plan.

Finance sector collections are projected to slow from their elevated growth rates, as assets under

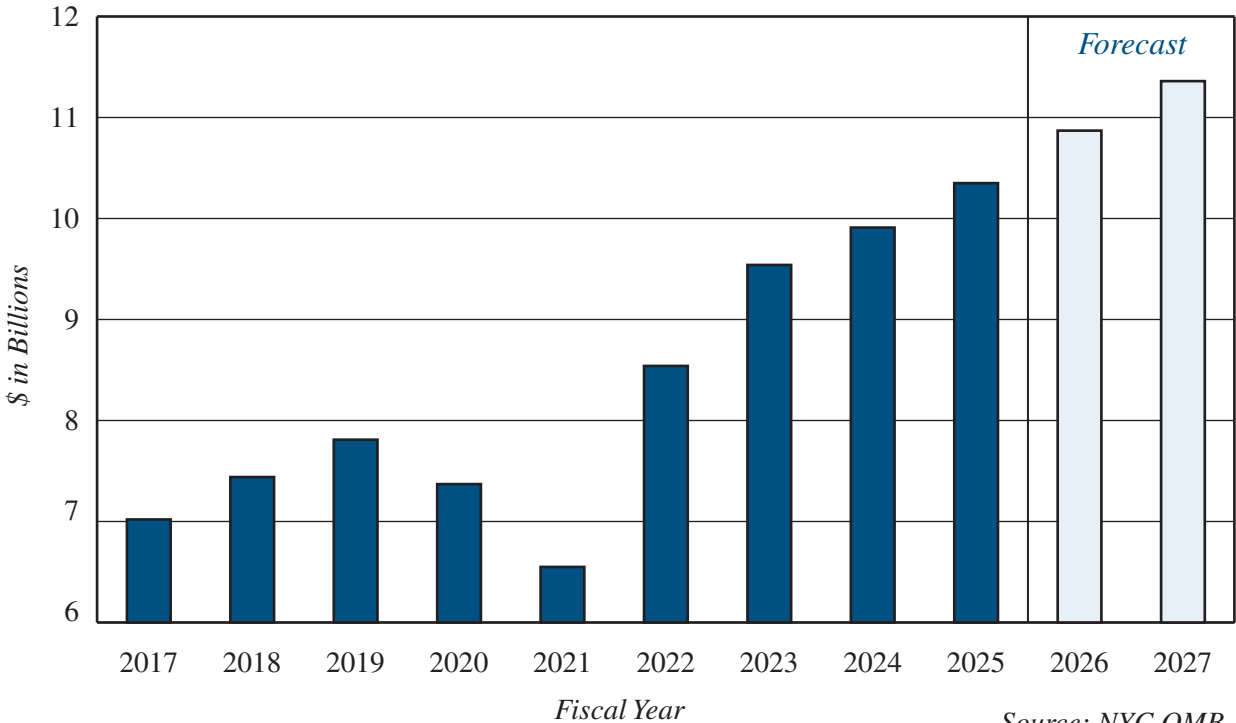
management ease from historic highs and market volatility returns to more typical levels in CY 2026. As a result, finance collections are forecast to decelerate to 4.2 percent growth in 2027. Thereafter, collections are expected to moderate as financial-market conditions continue to normalize from a period of unusually elevated returns, averaging a growth of 1.8 percent from 2028 to 2030.

Non-finance sector growth is projected to decelerate as profitability softens, with margins pressured by inflation, rising labor costs, and weaker pricing power. As a result, non-finance collections are expected to grow 3.1 percent in 2027 and average growth of 3.6 percent annually from 2028 through 2030.

UBT collections are expected to moderate in the out-years, growing at an average growth rate of 2.8 percent from 2028 through 2030.

SALES AND USE TAX

SALES TAX 2017 - 2027



Source: NYC OMB

The sales and use tax is projected to account for 12.9 percent of total tax revenue in 2027, or \$11.358 billion.

2026 Forecast: Sales tax revenue is forecast at \$10.868 billion in 2026, representing a 5.0 percent increase over the prior year, unchanged from the previous plan.

After a sluggish 2.9 percent growth in the second quarter, collections grew by 5.8 percent in the third quarter year-over-year, demonstrating market resilience. Year-to-date growth currently stands at 4.9 percent and is expected to maintain this pace for the remainder of the year, supported by moderate growth in wage earnings and solid tourism, despite challenges in the international visitor market. Although there are emerging signs of potential consumption restraint, sustained price increases have bolstered nominal sales values and kept total collections afloat. For the remainder of 2026, this inflationary pressure on goods and services is expected to provide a floor for revenue, even if consumption moderates.

NYC Taxable sales data, year-to-date, highlight varied performance across the city’s core sectors.¹ Retail, business and information services, food services, and accommodations continue to drive the tax base. While retail gains have been buoyed by growth in department stores and apparel, likely influenced by price increases, weakness persists in interest-rate-sensitive categories like automobile dealers and building materials. Conversely, business services and the tourism-dependent accommodation sector remain resilient despite broader economic headwinds.

2027 Forecast: Sales tax revenue is forecast at \$11.358 billion in 2027, representing a 4.5 percent increase over the current year, revised downward \$74 million from the prior plan.

The outlook for 2027 is more cautious. A projected deceleration in wage growth is expected to weigh on disposable income, leading to a measurable slowdown in sales activity and tax receipts. This is expected to be somewhat offset by continued elevated prices. Tourism is also expected to be more subdued given persistent geopolitical issues and increased fuel prices, potentially

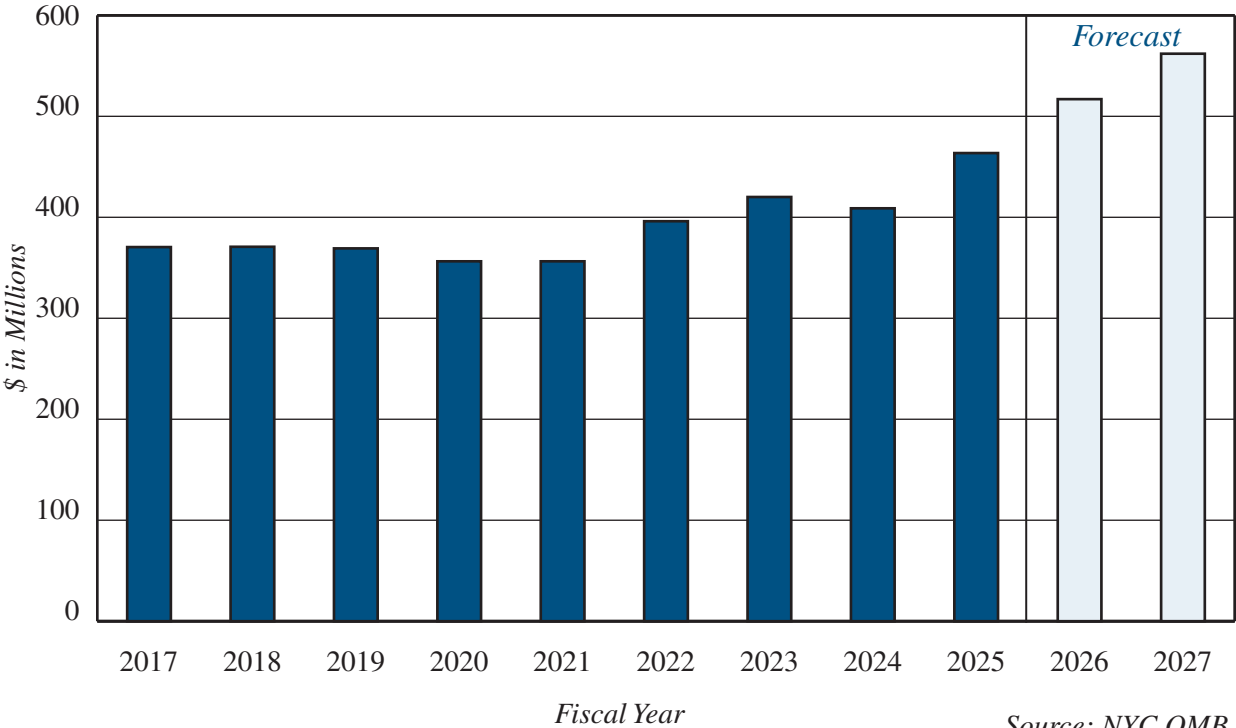
1 NYS Department of Taxation and Finance Taxable Sales And Purchases Quarterly Data: Beginning Sales Tax Year 2013-2014 [Dataset].

impacting demand. However, the tourism forecast still incorporates strength associated with the World Cup, which will provide a lift in June and July collections of this CY.

Sales tax revenue growth is forecast to average 4.4 percent annually from 2028 through 2030, reflecting a steady macroeconomic landscape.

UTILITY TAX

UTILITY TAX 2017 - 2027



Source: NYC OMB

The utility tax is projected to account for 0.6 percent of total tax revenue in 2027, or \$562 million.

2026 Forecast: Utility tax revenue is forecast at \$517 million in 2026, an 11.5 percent increase from the prior year, and up \$5 million from the February 2026 Plan. Utility tax collections through March have increased 13.2 percent from last year as average retail electricity prices in New York have expanded 9.5 percent and natural gas prices have increased over 12 percent through January.¹ Third quarter collections skyrocketed due to existing high energy price levels and severely cold weather, which strained energy supplies and resulted in inflated energy costs.

Utilities must pass on the cost of energy onto the customer without profit, however, utilities may petition for increases in delivery charges to fund projects such as infrastructure improvements or affordability programs. The NYS Public Service Commission (PSC) permitted

Con Edison annual increases of 4.4 percent on electric delivery revenues and 2.8 percent on gas delivery revenues for three years starting in January 2026.² All else equal, this will raise the average Con Edison customer’s electric and gas bills and may increase utility tax liability. NYC utility taxes are derived from both increases in delivery and supply charges.

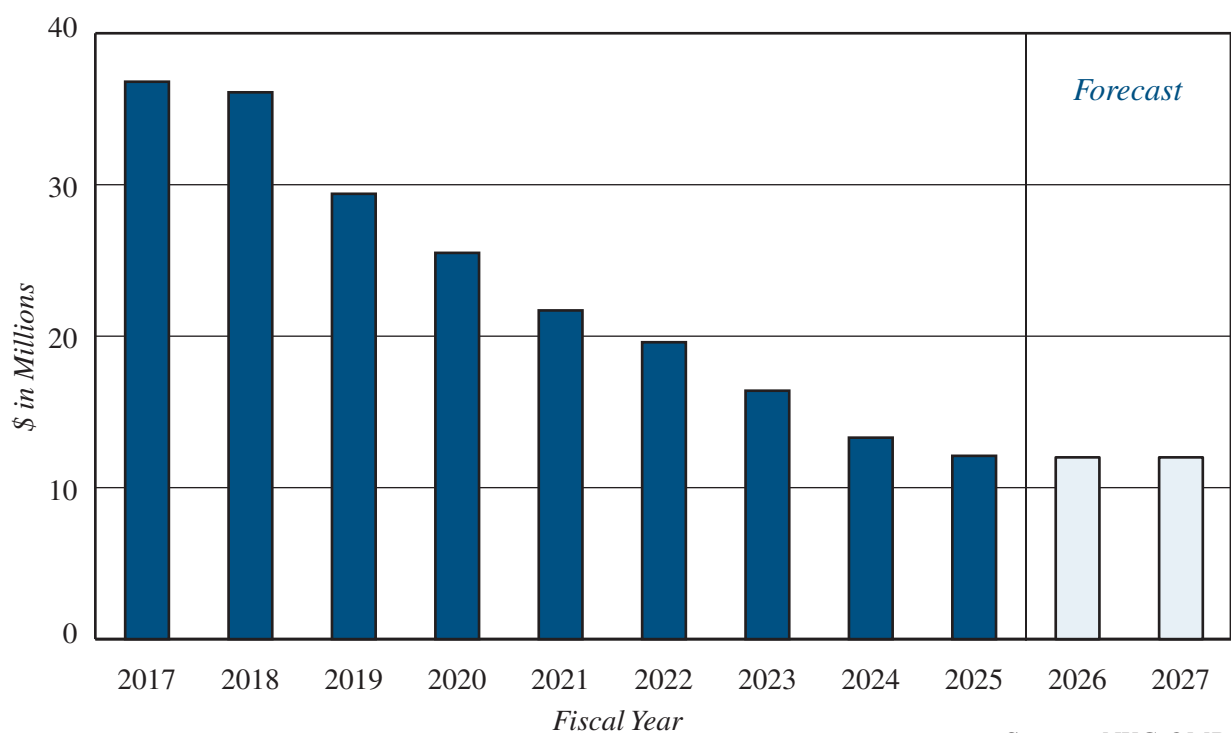
2027 Forecast: Utility tax revenue is forecast at \$562 million in 2027, an increase of 8.7 percent, and \$12 million over the February 2026 Plan. Utility prices in NYC, a city reliant on fossil fuels for its electric grid, are expected to increase because of the global energy crisis brought on by the conflict with Iran.

Utility tax revenue is forecast to grow at an average of 3.2 percent from 2028 through 2030. Out-year growth is expected to slow as energy prices stabilize.

1 U.S. Energy Information Administration. Average Retail Price of Electricity [Data Set] and U.S Energy Information Administration. New York Natural Gas Prices [Data Set].
2 NYS Public Service Commission. PSC Dramatically Reduces Con Edison’s Rate Request by Nearly 90 Percent [Press release].

CIGARETTE TAX

CIGARETTE TAX 2017- 2027



Source: NYC OMB

The cigarette tax is forecast to account for less than one percent of total tax revenue in 2027, or \$12 million.

2026 Forecast: Cigarette tax revenue is forecast at \$12 million, a 1.1 percent decline from the previous year. This forecast reflects collections beginning to level out from long run decline trends characterized by high taxes, anti-smoking policies and public sentiment towards health concerns.

Continued tax rate increases, including most recently in 2024, have resulted in a total state and local tax rate of \$6.85 per pack, one of the highest in the nation.¹ Facing such high prices, consumers may turn to alternative nicotine products, purchase from surrounding jurisdictions with lower prices and tax rates or quit smoking altogether. Restrictions on smoking in many public places were implemented to deter smoking and improve public health. The increases in tax rates

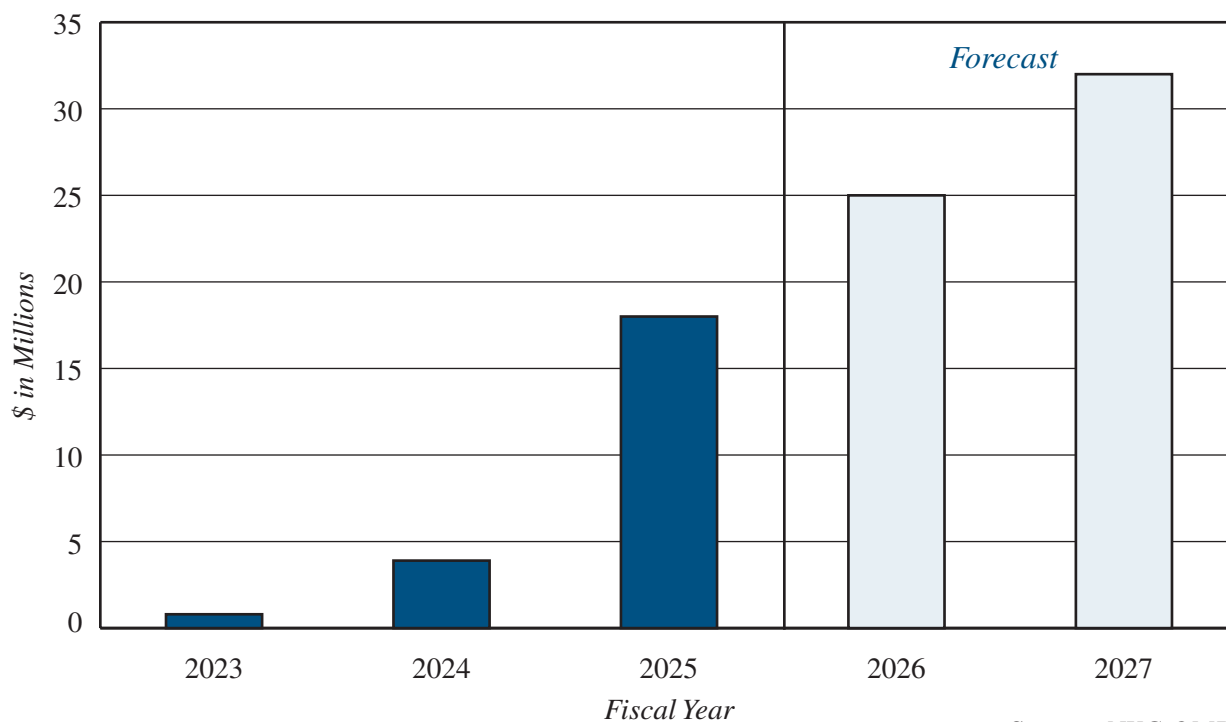
coupled with anti-smoking policies have resulted in lower cigarette purchases and in turn collections over the years, reflecting successful public health policy at the cost of a lower tax base.

2027 Forecast: Cigarette tax revenue is forecast to remain flat at \$12 million in 2027 and continue at this level annually through 2030, reflecting a stabilization in market demand, given current tax rates and policies.

¹ <https://www.lung.org/policy-advocacy/tobacco/slati/current-state-taxes>

ADULT-USE CANNABIS TAX

ADULT-USE CANNABIS TAX 2023 - 2027



Source: NYC OMB

Cannabis tax is forecast to account for less than one tenth of a percent of tax revenue in 2027, or \$32 million.

2026 Forecast: Adult-use cannabis tax revenue is forecast at \$25 million in 2026, a 38.9 percent increase from the prior year. Year-to-date collections have grown approximately 50 percent over last year. On average, over seven licensed dispensaries have opened each month in the city since July 2025, bringing the total to 235 stores at the end of March, over 100 more open stores from this time last year. Collections growth has not been as rapid as the expansion in store openings as newer stores take months to build customer bases. Sales per store in NYC have been dropping each quarter since the end of CY 2025 as new locations bring down the average, a trend that is expected to stabilize as the pace of new store openings slows.

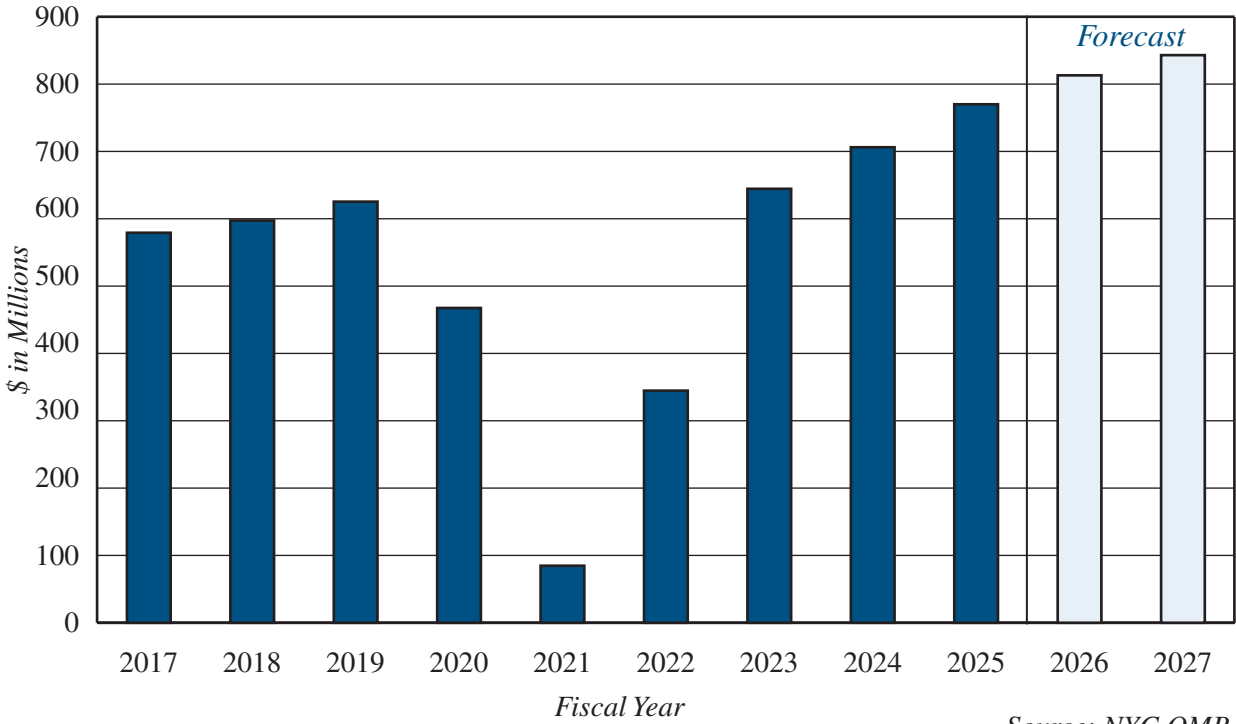
2027 Forecast: Adult-use cannabis tax is forecast at \$32 million in 2027, an increase of 28 percent, as new stores expand accessibility to cannabis and existing locations expand their customer bases. NYC currently has 46 dispensary licenses being processed by the Office of Cannabis Management.¹

Adult-use cannabis tax revenue is forecast to average growth of 9.8 percent from 2028 through 2030 as the market reaches maturity.

1 Office of Cannabis Management. Current OCM Licenses [Data Set]. NY Open Data.

HOTEL TAX

HOTEL TAX 2017 - 2027



Source: NYC OMB

The hotel room occupancy tax is projected to account for 1.0 percent of tax revenue in 2027, or \$843 million.

2026 Forecast: Hotel tax revenue is forecast at \$813 million in 2026, growth of 5.6 percent over the prior year and down \$2 million from the February 2026 Plan. Year-to-date hotel tax collections through March total \$617 million, a 6.6 percent increase from last year. While there has been some growth over last year in room demand, the average daily rate (ADR), up 5.2 percent year-to-date, continues to fuel collections' growth.

CY 2025 saw a slight uptick in total visitors to the city, with a decrease in international visitors being offset by an increase in domestic visitors according to NYC Tourism + Conventions.¹ Before the United States began its military operations against Iran, international visitors were expected to return to 12.9 million, the level reached in 2024. A large contributor to this boost in foreign tourists is the 2026 FIFA World Cup. With eight matches in the region between June and July, World Cup-related travel is expected to have a \$19 million impact on hotel tax collections in the City.

Notwithstanding soccer related travel, tourism is expected to drop in the final quarter of 2026, extending into 2027, as geopolitical conflicts reduce international tourism. Occupancy in March and April has dipped below last year, signaling the beginning of a pullback in travel, causing the slight decrease in 2026 collections from the February 2026 Plan.

2027 Forecast: Hotel tax revenue is forecast at \$843 million in 2027, down \$13 million from the February 2026 Plan. Collections are forecast to grow 3.7 percent over the current year, most of which is attributable to room rates growing slightly faster than inflation. The slowdown in international travel is forecasted to persist in 2027. Because international tourists stay longer and spend more than their domestic counterparts this will reduce room demand, resulting in the downward revision.

Growth is expected in the out-years from 2028 through 2030, averaging 3.4 percent as tourism grows at a moderate pace.

¹ March 2026 Press Release, NYC Tourism + Conventions

OTHER TAXES

All other taxes are projected to account for 1.4 percent of the total tax revenue in 2027, or \$1.232 billion.

**2026–2027 Other Taxes Forecast
Excluding Tax Audit Revenue
(\$000s)**

Tax	2026	2027	Increase/(Decrease) From 2026 to 2027 Amount	Percent Change
Auto Related Taxes				
Auto Use	\$29,000	\$30,000	1,000	3.4%
Commercial Motor Vehicle	61,071	67,071	6,000	9.8%
Taxi Medallion Transfer	800	800	—	0.0%
Excise Taxes				
Beer and Liquor	24,000	25,000	1,000	4.2%
Liquor License Surcharge	6,500	6,000	(500)	(7.7%)
Horse Race Admissions	50	50	—	0.0%
Medical Marijuana Excise Tax	600	600	—	0.0%
Off-Track Betting Surtax	760	760	—	0.0%
Miscellaneous				
Other Refunds	(52,000)	(52,000)	—	0.0%
Payment in Lieu of Taxes (PILOTs)	912,000	804,000	(108,000)	(11.8%)
Section 1127 (Waiver)	267,000	240,000	(27,000)	(10.1%)
Penalty and Interest Real Estate (Current Year)	46,000	38,000	(8,000)	(17.4%)
Penalty and Interest Real Estate (Prior Year)	85,000	80,000	(5,000)	(5.9%)
Penalty and Interest - Other Refunds	(8,000)	(8,000)	—	0.0%
Total	\$1,372,781	\$1,232,281	(140,500)	(10.2%)

AUTO RELATED TAXES

Auto Use Tax: This tax is imposed by the city on privately-owned vehicles at an annual rate of \$15 per vehicle. The tax is administered by the State Department of Motor Vehicles, with an administrative charge levied on the city for this service. The Auto Use tax is expected to generate \$29 million in 2026 and \$30 million in 2027.

Commercial Motor Vehicle Tax: This tax is levied on vehicles used for the transportation of passengers (medallion taxi cabs, omnibuses, and other for-hire passenger vehicles) and all other commercial trucks and vehicles. The tax is administered by the State Department of Motor Vehicles and is charged at different rates depending on the purpose for which the vehicles are used. The annual rate for commercial vehicles weighing less than 10,000 pounds is \$40, with rates increasing progressively for heavier vehicles. Trucks weighing 15,000 pounds pay the highest rate of \$300 per year. Medallion taxicabs and owners of other types of commercial vehicles pay annually in June at a rate of \$400. This tax is forecast to generate \$61.1 million in 2026 and \$67.1 million in 2027.

Taxi Medallion Transfer Tax: This tax is imposed at a rate of 0.5 percent of the price paid for the transfer of taxicab licenses (medallions). The rate was reduced from 5.0 percent to 0.5 percent in 2017. The tax is administered by the NYC Taxi and Limousine Commission. This tax is forecast to generate \$800,000 in 2026 and 2027.

EXCISE TAXES

Beer and Liquor Excise Tax: This tax is imposed on beer and liquor sales by licensed distributors and non-commercial importers within New York City. The current tax rate is 12 cents per gallon of beer and 26.4 cents per liter of liquor with alcohol content greater than 24 percent. The city does not impose a tax on wine. This tax is administered by New York State and is forecast to generate \$24 million in 2026 and \$25 million in 2027.

Horse Race Admission Tax: This is a 3.0 percent tax imposed on the price of all paid admissions to horse races on grounds or enclosures located wholly or partially within New York City. This tax is forecast to generate \$50,000 in 2026 and 2027.

Liquor License Surcharge: This surcharge is imposed on distributors and non-commercial importers of beer and liquor at the rate of 25 percent of license fees payable under the New York State Alcoholic Beverage Control Law. This tax is forecast to generate \$6.5 million in 2026 and \$6 million in 2027.

Medical Marijuana Excise Tax: New York City has been receiving payments from the New York State medical marijuana trust fund since July 2016. These payments represent 50 percent of the New York State medical marijuana excise tax revenue collected in New York City. This tax is forecast to generate \$600,000 in 2026 and 2027.

Off-Track Betting Surtax: This tax is levied on bets placed at New York City Off-Track Betting offices and on bets placed statewide on races held within New York City. This tax is forecast to generate \$760,000 in 2026 and 2027.

MISCELLANEOUS

Other Refunds: These are refunds primarily paid out on the commercial rent tax, business taxes, and Section 1127 (waiver) and are forecast at -\$52 million in 2026 and 2027.

Payments in Lieu of Taxes (PILOTs): PILOTs are contractual agreements between public agencies and private property owners. There are five primary sponsor agencies that serve as intermediaries between the city and the PILOT facility owners: (1) New York City Economic Development Corporation; (2) Industrial Development Agency; (3) Battery Park City Authority; (4) Hudson Yards Infrastructure Corporation (HYIC) and (5) Port Authority of New York and New Jersey. PILOT revenue is forecast to generate \$912 million in 2026 and \$804 million in 2027.

Section 1127 (Waiver): Under Section 1127 of the New York City Charter, the city may collect payments from non-resident employees of the city or any of its agencies in an amount equal to what their personal income tax liability would be if they were City residents. Revenue for this tax is forecast to generate \$267 million in 2026 and \$240 million in 2027.

Prior Year and Current Year Penalty and Interest - Real Estate: Taxpayers who do not pay their real property tax on time are liable for interest charges on outstanding balances. Penalties and interest received against current year delinquencies are forecast at \$46 million in 2026 and \$38 million in 2027, while interest collections from prior year delinquencies are expected to be \$85 million in 2026 and \$80 million in 2027.

Penalty and Interest – Other Refunds: The city currently pays out interest on refunds claimed for overpayment against business income taxes and on audits of business corporation and unincorporated business taxes already collected by the Department of Finance or overturned in Federal or State rulings. These refunds are forecast at -\$8 million in both 2026 and 2027.

TAX ENFORCEMENT REVENUE

As part of the city's continuous tax enforcement efforts, the Department of Finance targets delinquent taxpayers through agency audit activities, the select use of collection agencies, and computer matches. Audit revenue is forecast at \$1.059 billion in 2026, an increase of \$100 million over the February 2026 Plan. Audit revenue is forecast at \$929 million in 2027, an increase of \$50 million over the February 2026 Plan.

MISCELLANEOUS RECEIPTS

Forecast of Miscellaneous Receipts

The non-tax revenue portion of City Funds is referred to as miscellaneous revenues. The 2027 Executive Budget includes eleven classes of miscellaneous revenues which are discussed below.

Miscellaneous revenues are estimated at \$6,370 million in 2027, a decrease of \$298 million from 2026, exclusive of private grants and intra-city revenues. The revenue classes listed above are regrouped and described in the following four areas: Cost-based Charges (Licenses, Permits, and Charges for Services); Water and Sewer Revenues; Fines and Forfeitures; and Other Income (Interest Income, Franchises, Rental Income, and Miscellaneous).

**Miscellaneous Revenues
(\$ in Millions)**

	2026 Forecast	2027 Executive Budget	Forecast to Executive Budget Increase (Decrease)
Licenses.....	\$81	\$69	(12)
Permits	378	313	(65)
Franchises and Privileges.....	333	340	7
Interest Income.....	391	302	(89)
Tuition and Charges for Services.....	1,074	1,045	(29)
Water and Sewer Revenues.....	2,318	2,393	75
Rental Income	286	284	(2)
Fines and Forfeitures	1,414	1,324	(90)
Miscellaneous.....	393	300	(93)
Total Miscellaneous Revenues.....	\$6,668	\$6,370	(298)

Cost-based Charges

Cost-based Charges are revenues collected as a result of the City providing a service (copies of official records, or inspections and reviews) and may be related to the government’s policy or regulatory functions (pistol permits, restaurant permits, building plan examination fees). In the absence of State legislative authorization for the City to impose a specific fee, the City may, where otherwise allowed by law, impose a user fee to recover the cost of providing services.

Licenses

The City issues approximately 571,000 licenses. About 49,000 are non-recurring, 108,000 are renewed annually, 174,000 biennially, and 240,000 triennially. The major sources of license revenue are taxi and limousine licenses, pistol licenses, private carter licenses, marriage licenses, and various business licenses under the jurisdiction of the Department of Consumer and Worker Protection.

The 2027 forecast for license revenue is \$69 million, \$12 million less than 2026. This decrease is attributable to large non-recurring street events in 2026 and the cyclical nature of renewals of Taxi & Limousine licenses.

Permits

Permits are issued to 1,226,000 individuals or entities for the use of facilities, premises or equipment. Approximately 235,000 permits are renewable on an annual, biennial or triennial basis. Seasonal or single occurrence permits, such as tennis and building permits, account for 991,000 additional permits, all of which are issued and regulated by twelve City agencies.

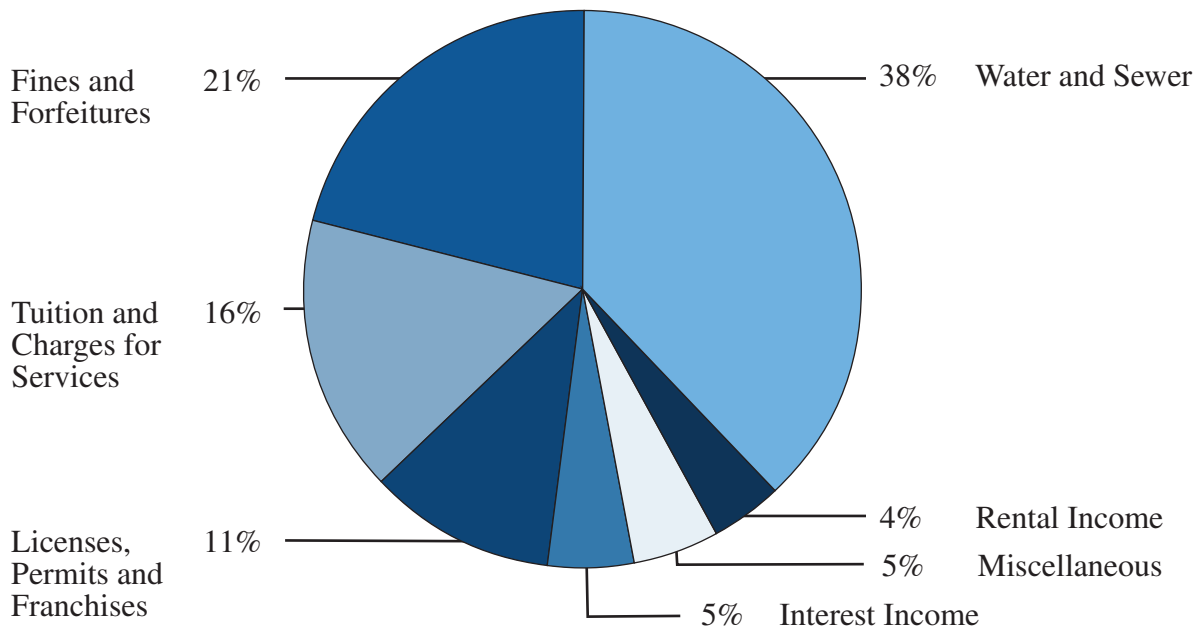
The major sources of revenue are permits for building construction and alterations, street openings, restaurants, hazardous materials, and air pollution control. The 2027 forecast for permit revenue is \$313 million, \$65 million less than 2026. The decrease is due to a high number of applications for large developments that were submitted in 2026.

Tuition and Charges for Services

The City collects tuition from students enrolled at community colleges. In addition, the City collects money from charges to the public and other governmental agencies for services rendered. There are over 100 different service fees in this category, including fees for parking, towing, copies of certificates, processing applications, searches, and performing fire and building inspections. The 2027 forecast for tuition and charges for services is \$1,045 million, \$29 million less than 2026. Tuition revenue was adjusted downward to reflect reduced student enrollment offset by a surge in Affordable NY Housing Program filings in 2026.

COMPONENTS OF MISCELLANEOUS REVENUES

As a Percentage of 2027



Source: NYC OMB

Water and Sewer Revenues

Water and Sewer charges are collected by the New York City Water Board. From these charges the Board reimburses the City for the operation and maintenance (O&M) of the water delivery and wastewater disposal systems. The O&M reimbursement is equal to the amount spent by the City to supply water and treat and dispose of wastewater on behalf of the Board. The City is reimbursed only for its expenditures. The rental payment from the Water Board is intended to pay for the use of the City's water supply, distribution, collection and treatment plant, and is capped at the greater of debt service payments for outstanding water and sewer-related general obligation debt or 15 percent of Water Authority debt service. The City will receive \$2,081 million for O&M services rendered in the delivery of water and the collection, treatment, and disposal of wastewater and \$312 million for the rental of the water supply and sewer system plant, in accordance with the lease agreement between the Water Board and the City.

Fines and Forfeitures

The City collects fine revenue through courts and administrative tribunals for violations issued under the New York City Administrative Code, New York State Vehicle and Traffic Law, and other laws. Forfeiture revenue is obtained from the surrender and conversion of bail and cash bonds, and contractors' performance bonds. The 2027 forecast for forfeitures is \$1.2 million. The revenue expected from fines in 2026 and 2027 is listed below:

Fine Revenue

Type (\$ in 000's)	2026 Forecast	2027 Executive Budget
Parking Violations.....	\$639,900	\$603,913
Speed Camera Violations.....	228,300	233,330
Environmental Control Board Violations	154,945	123,717
Department of Buildings Penalties	130,000	83,700
Bus Lane Violations.....	60,850	59,532
Red Light Camera Violations	41,811	59,216
Department of Health Violations	29,300	22,000
Taxi and Limousine Commission Violations.....	10,300	14,800
Department of Finance Late Penalties.....	21,500	13,500
Department of Consumer and Worker Protection	12,050	10,550
State Court Fines.....	2,400	4,000
Other Sources.....	81,302	94,419
Total.....	\$1,412,658	\$1,322,677

The Parking Violation division of the Department of Finance is forecasted to collect \$957.3 million in parking, red light, bus lane, weigh in motion, and speed camera fines in 2027, \$14.9 million less than in 2026.

The Parking Violation division processes and adjudicates enforcement camera violations. The red light camera program is designed to promote safe, responsible driving by photographing and fining registrants of vehicles “running” red lights. The Department of Transportation currently has 533 red light cameras operating at 450 intersections. Red light camera violations will generate \$59.2 million in 2027. In addition, the Department operates a fixed bus lane camera enforcement program along 39 MTA regular and Select Bus Service routes. The Department also partners with New York City Transit to operate bus-mounted cameras on 58 Select Bus Service routes. The revenue from these mobile cameras is remitted to New York City Transit. The Department will generate approximately \$59.5 million from fixed bus lane cameras in 2027. Legislation passed in 2019 authorizes the Department to use speed camera enforcement in 750 school zones. Currently, 2,177 fixed and 30 mobile cameras are operational within the authorized zones. Speed cameras must be placed within a quarter mile radius of a school and can operate 24 hours a day, 7 days a week, year-round. Collections are expected to be \$233.3 million in 2027. Legislation passed in 2021 authorizes the Department to launch a pilot program using weigh in motion technology to capture overweight trucks on the Brooklyn Queens Expressway. The violations are expected to generate \$1.3 million in 2027.

The Office of Administrative Trials and Hearings is comprised of several administrative tribunals:

Health, the Taxi and Limousine Commission, and the Environmental Control Board. The Environmental Control Board adjudicates violations issued by over a dozen City agencies for infractions of the City’s Administrative Code related to street cleanliness, waste disposal, street peddling, fire prevention, air, water and noise pollution, building safety and construction, and other quality of life issues. Revenue from these violations is expected to generate \$148.9 million in 2027.

The Department of Consumer and Worker Protection enforces the City’s consumer protection, licensing, tobacco, municipal workplace, and Truth-in-Pricing laws. In 2027, the Department will generate \$10.6 million in fine revenue. The Department of Consumer and Worker Protection will continue its mission to investigate deceptive consumer practices, enforcing labor standards and assisting businesses to comply with regulations.

The Department of Finance assesses penalties for failure to timely file Real Property Income and Expense statements and Real Property Transfer documents. The Department’s enforcement efforts are expected to improve compliance due to increased penalties for non-filers who have not filed for three consecutive years.

Revenue is also collected from certain fines adjudicated through the State-operated Criminal and Supreme Court system; revenue net of state processing costs is collected from the adjudication of traffic violations issued in the City of New York. In addition, the City collects fines for administrative code violations and building code violations.

Other Income

Other income includes interest earned on the City's cash balances, concession and franchise payments, rental income, and income from other areas in which productivity may have a positive effect on the amount of revenue collected. Each of the sources included in this area has its own unique basis for management and improvement, some of which are directly affected by the City's policy toward such varied items as housing, economic development, and transportation issues.

Interest Income

The City earns interest income by investing funds from four sources: overnight cash balances, debt service accounts, sales tax, and cash bail balances. Overnight cash balances are invested and historically earn interest at approximately the federal funds rate. Property tax receipts are held by the State Comptroller to satisfy City debt service payments, and earnings are forwarded to the City monthly based on bond payment schedules. The determinants of this revenue source are the value of cash balances, tax receipts, available investment instruments, and the interest rate.

The 2027 forecast for interest earnings is \$302 million, a decrease of \$89 million from 2026. The decrease is attributable to a lower projected federal funds rate for 2027 and recent trends in anticipated cash available for investment.

Franchises and Privileges

This revenue consists of franchise fees for the public use of City property and privilege and concession fees for the private use of City property. These uses include conduits that run under City streets, concessions in public parks and buildings, and payments from utility companies for transformers on City property.

The 2027 forecast for franchise revenue is \$340 million, \$7 million more than in 2026. This increase is attributable to changes to Department of Parks and Recreation concession fees offset by Department of Transportation franchise payments.

Rental Income

Rental income is derived from both long and short-term agreements for the occupancy of City-owned properties, including condemnation sites and *in rem* buildings. Roughly 2,300 properties are rented from the City. Approximately 500 are *in rem* or condemnation sites, 200 are covered by long term agreements, and nearly 1,600 are schools that are rented on a per event basis after school hours.

The 2027 forecast for rental income is \$284 million, \$2 million less than in 2026. The decrease is due to a one-time lease audit payment and additional lease payment from the Port Authority of New York and New Jersey based on airport earnings for 2025.

Miscellaneous

Miscellaneous revenue is composed of a variety of revenues not otherwise classified in the City's Chart of Accounts. The primary items are the sale of City assets, cash recoveries from litigation and audits, E-911 telephone surcharges, revenue from Police Department Property Clerk auctions, refunds of prior year expenditures, the sale of the City Record and other publications, and subpoena fees. This source of revenue has, at times, contributed significantly to the miscellaneous receipts.

The 2027 forecast for miscellaneous revenue is \$300 million, \$93 million less than in 2026. The decrease is related to refunds for prior expenditures, one-time settlements, accrued income from fiduciary accounts and projected unpledged tobacco settlement revenue in 2027.

Private Grants

The Executive Budget includes \$1,131 million in private grants in 2027, \$61 million less than 2026. Additional private grant funding will be modified into the budget throughout the year, as additional funding sources are identified, and grants are defined.

Interfund Revenues

Interfund Revenues (IFA) are reimbursements from the Capital Fund to the General Fund for authorized first-line architectural, engineering, and design costs incurred by the City's own engineering and support staff. These costs also include employee expenses incurred in connection with eligible capital projects for the development of computer software, networks and systems. All IFA costs are assigned to particular capital projects and are valid capital charges under generally accepted accounting principles. In 2027, expected reimbursements will be \$814 million.

COMMUNITY BOARDS

New York City's 59 community boards provide a formal structure for local citizen involvement in the budget process as well as other areas of City decision making. The Charter mandates that the community boards play an advisory role in three areas: changes in zoning and land use, monitoring the delivery of City services in the community district and participating in the development of the City's capital and expense budgets.

Each community board receives an annual budget to support a district manager, additional staff, and other operating expenses. This excludes the cost of office rent and heat, light and power, which are in a separate unit of appropriation.

Each Borough President appoints board members for staggered two-year terms. City Council members in proportion to each member's share of the district's population select nominees from which half the appointments are made. All fifty members of the community board either live or work in the district.

Each year agencies that deliver local services consult with community boards about budget issues and the needs of the districts, prior to preparing their departmental estimates. Each board then develops and prioritizes a maximum of 40 capital and 25 expense budget requests. For FY 2027 community boards submitted 1,956 capital requests and 1,853 expense requests to 35 City agencies. Community board expense budget requests concentrate on local services and personnel increases.

District specific budget information is available in the following geographic budget reports, which accompany the release of the FY 2027 budget.

Register of Community Board Budget Requests for the Executive Budget, Fiscal Year 2027 – lists the funding status for all community board proposals in priority order within community district.

Geographic Report for the Executive Expense Budget for Fiscal Year 2027 – details the expense budgets of fourteen agencies that deliver local services by borough and service district. Includes FY 2027 Executive Budget information as well as FY 2026 current modified budget and budgeted headcount data.

Executive Capital Budget for Fiscal Year 2027– details the Mayor's Capital Budget by project within agency. Budget data is presented by community district and by agency within borough.

Geographic Fiscal Year 2027 Executive Budget Commitment Plan – presents information on capital appropriations and commitments by community board, including implementation schedules for the current year and four plan years for all active projects by budget line.

CONTRACT BUDGET

The Contract Budget is presented as part of the 2027 Executive Budget submission. The Contract Budget includes all projected expenditures for contracts that are personal service, technical or consulting in nature, as defined in Section 104 of the City Charter. Purchase orders and open market orders, as well as small purchases that do not require registration by the Comptroller’s Office, are included in the Contract Budget. Contracts for the purchase of supplies, materials and equipment are not included.

The 2027 Executive Contract Budget contains an estimated 17,594 contracts totaling approximately \$27.14 billion. Of that number, over 80 percent of the total contract budget dollars will be entered into by the Department of Social Services, the Administration for Children’s Services, the Department of Homeless Services, the Department of Health and Mental Hygiene and the Department of Education. The Administration for Children’s Services has \$2.18 billion in contracts, approximately 70 percent of which represents contracts allocated for Children’s Charitable Institutions (\$681 million) and Day Care (\$844 million). Of the \$12.94 billion in Department of Education contracts, approximately 47 percent of the contracts are allocated for Transportation of Pupils (\$2.28 billion) and Charter Schools (\$3.76 billion).

Each agency’s Contract Budget is delineated by object code within the agency’s other than personal service units of appropriation. The Executive Budget Supporting Schedules further break down the Contract Budget by budget code within unit of appropriation. All object codes in the 600 object code series are included in the Contract Budget. In addition, the Executive Budget Supporting Schedules reference the 2026 Modified Budget condition for these contract object codes.

Agencies in preparing their contract budgets were requested to categorize their contracts into 52 specific contract objects. The distribution of these contracts is summarized as follows.

	Est # of Contracts	Dollars (Millions)	% Total Dollars
Social Service Related and Health Services.....	4,402	\$10,063	37.1%
· Home Care, Child Welfare, Employment Services, Public Assistance, Day Care, Family Services, Homeless Programs, AIDS, Senior Citizen Programs, Health, Mental Hygiene & Prison Health, etc.			
Youth and Student Related Services.....	3,118	9,867	36.3%
· (including Transportation of Pupils and Payments to Contract Schools)			
Other Services.....	3,226	2,174	8.0%
· Custodial, Security Services, Secretarial, Cultural Related, Employee Related, Economic Development, Transportation, Municipal Waste Exporting, etc.			
Professional Services/Consultant.....	3,513	3,002	11.1%
· Accounting, Auditing, Actuarial, Education, Investment Analysis, Legal Engineering & Architectural, System Development & Management Analysis, etc.			
Maintenance & Operation of Infrastructure	1,661	1,525	5.6%
· Lighting, Street Repair, Buildings, Parks, Water Supply, Sewage and Waste Disposal, etc.			
Maintenance of Equipment.....	1,674	510	1.9%
· Data Processing, Office Equipment, Telecommunications & Motorized Equipment, etc.			
TOTAL	17,594	\$27,141	100.0%

CITYWIDE SUSTAINABILITY AND RESILIENCY

In the last 15 years, New York City has experienced the most damaging storm in its history, periods of lethal high temperatures, severe flooding from rainfall, and harmful air quality caused by smoke plumes from Canadian wildfires. The world's scientists are clear: if deliberate and urgent actions are not taken worldwide, similar events will only become more intense, frequent, and impactful.

Climate solutions require transformative changes to the ways infrastructure is built, buildings and vehicles are powered, and businesses and governments operate and provide services. To enable strategic and informed decisions on climate investments and alignment of city resources with climate goals, New York City's Office of Management and Budget (OMB) is integrating climate action into the city's budgetary process through Climate Budgeting. Climate Budgeting is an ongoing process to assess progress towards sustainability and resiliency goals, work with partner agencies to address identified gaps, evaluate and prioritize proposed actions and investments for impact and cost, implement new actions, report on progress, and continue to reassess needs – all in a cycle aligned with the city's budget process.

OMB has released the Fiscal Year 2027 Executive Budget Climate Budgeting Publication to complement the Message of the Mayor and other budget publications. For details on the City's spending on climate initiatives, please refer to the [Climate Budgeting Publication](#).

FINANCING PROGRAM

The City financing program projects \$95.1 billion of long-term borrowing for the period from 2026 through 2030 to support the current City capital program. The portion of the capital program not financed by the New York City Municipal Water Finance Authority (NYW or the Authority) will be split between General Obligation (GO) bonds of the City and Future Tax Secured (FTS) bonds of the New York City Transitional Finance Authority (TFA).

The City and TFA expect to issue \$41.6 billion and \$38.8 billion, respectively, during the plan period. The City issuance supports 44 percent of the total, and TFA FTS issuance supports another 41 percent of the total. NYW expects to issue approximately \$14.7 billion which represents 15 percent of the total.

Financing Program (\$ in Millions)

	2026	2027	2028	2029	2030	Total
NYC GO Bonds	\$8,530	\$8,750	\$8,560	\$8,030	\$7,770	\$41,640
TFA FTS Bonds	6,800	7,600	8,560	8,030	7,770	38,760
NYW Bonds ¹	2,320	3,025	3,175	3,129	3,066	14,715
Total	\$17,650	\$19,375	\$20,295	\$19,189	\$18,606	\$95,115

1 Includes commercial paper and revenue bonds issued for the water and sewer system's capital program. Figures do not include bonds that defease commercial paper or refunding bonds. Does not include bonds to fund reserves or cost of issuance.

Overview of the Financing Program

The tables titled “Debt Outstanding,” “Annual Debt Service Costs,” and “Debt Burden” show statistical information for the period from 2026 through 2030, based on debt currently outstanding and expectations for future issuances.

Debt Outstanding
(\$ in Millions at Year End)

	2026	2027	2028	2029	2030
NYC GO Bonds.....	\$52,845	\$59,272	\$65,392	\$70,800	\$76,043
TFA FTS Bonds.....	60,464	65,852	72,105	77,767	83,054
Conduit Debt ¹	725	655	586	511	449
Total.....	\$114,034	\$125,779	\$138,083	\$149,078	\$159,546
NYW Bonds.....	\$35,226	\$37,882	\$40,593	\$43,244	\$45,803
TSASC Bonds.....	\$854	\$827	\$800	\$773	\$744

Annual Debt Service Costs
(\$ in Millions, Before Prepayments)

	2026	2027	2028	2029	2030
NYC GO Bonds.....	\$4,508	\$4,946	\$5,492	\$6,068	\$6,342
TFA FTS Bonds.....	3,688	4,481	5,037	5,540	6,105
Conduit Debt ¹	85	108	103	112	95
Total Debt Service.....	\$8,282	\$9,535	\$10,632	\$11,720	\$12,542
NYW Bonds ²	\$1,950	\$2,102	\$2,362	\$2,534	\$2,717
TSASC Bonds.....	\$69	\$69	\$68	\$67	\$67

Debt Burden

	2026	2027	2028	2029	2030
Total Debt Service ³ as % of:					
a. Total Revenue	6.7%	7.6%	8.4%	9.2%	9.6%
b. Total Taxes	9.8%	10.8%	11.8%	12.8%	13.3%
c. Total NYC Personal Income.....	1.0%	1.1%	1.1%	1.2%	1.2%
Total Debt Outstanding ³ as % of:					
a. Total NYC Personal Income.....	13.6%	14.3%	14.8%	15.2%	15.6%

1 Conduit debt consists of bonds issued by the Dormitory Authority of the State of New York, New York City Educational Construction Fund, and New York City Industrial Development Agency for which the City is obligated to make payments for debt service, subject to appropriation.

2 Includes First Resolution debt service and Second Resolution debt service net of subsidy payments from the NYS Environmental Facilities Corporation.

3 Total Debt Service and Debt Outstanding include NYC GO, conduit debt and TFA FTS bonds.

Currently the debt service for City GO, TFA FTS, and City appropriation debt, or conduit debt, excluding the effect of pre-payments, is 6.7 percent of the City's total budgeted revenues in 2026. That ratio is projected to rise to 9.6 percent in 2030. As a percentage of tax revenues, the debt service ratio is 9.8 percent in 2026 and is projected to increase to 13.3 percent in 2030.

The primary issuers financing the City capital program have maintained credit ratings in the AA category or better by Moody's, S&P, and Fitch, and in the case of the City, Kroll, as indicated in the table titled "Ratings".

Issuer	Ratings			
	Moody's	S&P	Fitch	Kroll
NYC GO	Aa2	AA	AA	AA+
TFA FTS-Subordinate ¹	Aa1	AAA	AAA	
NYW Second Resolution ²	Aa1	AA+	AA+	

1 TFA may also issue FTS-Senior bonds, although none are currently outstanding. The most recent ratings assigned to the Senior credit were triple-A from each of Moody's, S&P, and Fitch.

2 NYW may also issue First Resolution bonds, although none are currently outstanding. The most recent ratings assigned to the First Resolution credit were Aa1 from Moody's, AAA from S&P, and AA+ from Fitch.

In March 2026, Moody's, Fitch, and Kroll each revised the outlook on the City's GO bonds from stable to negative.

New York City General Obligation Bonds

Since July 1, 2025, the City has issued approximately \$8.5 billion in GO bonds for capital purposes and \$2.2 billion in GO refunding bonds. The dates and principal amounts are shown in the table titled "NYC GO Issuance".

Series	(N)ew \$/ (R)efunding	NYC GO Issuance (\$ in Millions)			
		Issue Date	Tax Exempt Amount	Taxable Amount	Total Par Amount
2026 A	N	8/19/25	\$1,050	\$0	\$1,050
2026 BC	R	8/19/25	585	256	841
2026 D	N	10/23/25	1,500	0	1,500
2026 E-1	N	10/23/25	0	1,420	1,420
2026 E-2 (Social Bonds)	N	10/23/25	0	460	460
2026 F	R	4/9/26	911	420	1,331
2026 G	N	4/9/26	900	0	900
2026 H	N	4/23/26	400	2,800	3,200
Total			\$5,346	\$5,356	\$10,702

In October 2025, the City issued its fourth series of Social Bonds, structured as \$460 million of taxable GO bonds. The proceeds of the Social Bonds sale financed affordable housing programs administered by the City's Department of Housing Preservation and Development.

In addition to the transactions noted above, the City also reoffered approximately \$67 million of fixed rate bonds in April 2026.

The City's GO refunding and reoffering transactions completed in 2026 generated approximately \$85 million of debt service savings during the financial plan period.

The City plans to issue GO bonds for capital purposes of approximately \$8.8 billion, \$8.6 billion, \$8.0 billion, and \$7.8 billion in 2027 through 2030, respectively.

New York City Transitional Finance Authority

The TFA is a public authority of New York State created by the New York City Transitional Finance Authority Act in 1997. It was created to issue FTS bonds, secured primarily with the City’s personal income tax, to fund a portion of the capital program of the City.

The TFA was originally authorized to issue up to \$7.5 billion of FTS bonds and notes. This authorization has evolved over time to permit TFA to have additional

FTS debt outstanding, with amounts over and above certain levels subject to the City’s remaining debt incurring power under the State constitutional debt limit. The total amount of FTS debt authorized to be outstanding and not subject to the City’s debt limit is currently \$30.5 billion.

Since July 1, 2025, the TFA has issued \$5.9 billion in FTS bonds for capital purposes and \$1.5 billion in FTS refunding bonds. The dates and principal amounts are shown in the table titled “NYC TFA Issuance”.

NYC TFA Issuance
(\$ in Millions)

<u>Series</u>	<u>(N)ew \$/ (R)efunding</u>	<u>Issue Date</u>	<u>Tax Exempt Amount</u>	<u>Taxable Amount</u>	<u>Total Par Amount</u>
2026 A	N	8/12/25	\$1,700	\$0	\$1,700
2026 B	N	10/30/25	1,500	0	1,500
2026 C	N	1/7/26	500	0	500
2026 DE	R	1/7/26	1,332	168	1,500
2026 F	N	2/3/26	1,900	300	2,200
Total			\$6,932	\$468	\$7,400

The TFA refunding transaction completed to date in 2026 generated approximately \$143.5 million of debt service savings, primarily spread evenly across 2026 through 2029.

The TFA plans to issue \$900 million in additional FTS bonds for capital purposes in 2026, and approximately \$7.6 billion, \$8.6 billion, \$8.0 billion, and \$7.8 billion in 2027 through 2030, respectively.

In April 2006, the State enacted legislation authorizing issuance by the TFA of an additional \$9.4 billion of bonds (Building Aid Revenue Bonds, or BARBs) to be used to fund certain capital costs for the Department of Education. This legislation also provided for the assignment to TFA of State building aid that had previously been paid directly to the City. As of March 31, 2026, there were approximately \$7.1 billion of BARBs outstanding. The BARBs are rated Aa2 by Moody’s, AA by S&P, AA by Fitch, and have stable outlooks. The financial plan does not currently contemplate the issuance of BARBs for new money purposes.

In August 2025, the TFA sold approximately \$1.4 billion of BARBs in order to reoffer and refund certain outstanding bonds. The transaction generated approximately \$113 million of debt service savings, primarily spread evenly across 2026 through 2029.

New York City Related Issuers - Variable Rate Debt

The City and other issuers supporting the City capital program utilize floating rate debt in an effort to diversify their offerings and minimize interest costs. Variable rate demand bonds, which require an accompanying bank facility, comprise the majority of the City’s and its related entities’ variable rate portfolio. The City and TFA also have floating rate bonds which do not require a bank facility, where interest rates are set periodically according to a benchmark index, by auction, or by a remarketing agent. Currently, the City and its related entities, excluding NYW, have approximately \$9.7 billion of floating rate exposure.

While floating rate debt can provide savings relative to fixed rate debt, the exposure is of note because certain events can cause costs to increase unexpectedly. Those events would include rising short-term interest

rates, reductions in tax rates in the tax code (in the case of tax-exempt debt), and the deterioration of the City’s credit or the credit of a liquidity provider. The City uses conservative assumptions in budgeting interest rates and associated expenses from floating rate instruments.

The table “NYC Floating-Rate Exposure” summarizes the City’s and its related issuers’ floating rate exposure, excluding NYW. Total floating rate exposure is 8.5 percent, which remains below the City’s policy guideline of 20 percent. This is even more manageable after taking into account the 10-year average balance of \$9.0 billion of short-term assets in the City’s General Fund, which are an offset to these floating rate liabilities. Net of these floating rate assets, the floating rate exposure of the City, excluding NYW, is almost entirely mitigated. GO and TFA floating rate exposure represents 10.6 percent and 6.6 percent of GO and TFA FTS debt, respectively.

NYC Floating-Rate Exposure¹
 (\$ in Millions)

	<u>GO</u>	<u>TFA</u>	<u>Conduit</u>	<u>Total</u>
Floating Rate Bonds	\$5,619	\$3,962	\$30	\$9,611
Synthetic Fixed	5	0	45	50
Total Floating-Rate	\$ 5,624	\$3,962	\$75	\$9,661
Total Debt Outstanding.....	\$52,845	\$60,464	\$725	\$114,034
<i>% of Floating-Rate / Total Debt Outstanding.....</i>	<i>8.5%</i>			
Total Floating-Rate Less \$9.0 Billion Balance in.....	\$623			
General Fund (Floating-Rate Assets)				
<i>% of Net Floating Rate / Total Debt Outstanding.....</i>	<i>0.5%</i>			

1 End of Fiscal Year 2026 Debt Outstanding as of the May 2026 Financial Plan excluding NYW.

In addition to floating rate debt instruments, the City has utilized synthetic fixed rate debt (issuance of floating rate debt which is then swapped to a fixed rate). In contrast to variable rate demand bonds and other floating rate instruments, synthetic fixed rate debt is relatively insensitive to changes in interest rates and changes in the City's credit, though it can provide exposure to the relationship between tax-exempt and taxable floating rates. To calculate the floating rate exposure associated with synthetic fixed rate debt in the foregoing analysis, it is conservatively assumed that there is no difference between tax-exempt bond rates and the taxable rates on which swap receipts are based.

The City has not entered into any new interest rate swaps in recent years. The City is a party to one remaining GO interest rate swap with an outstanding notional amount as of March 31, 2026 of \$11.55 million, for which the mark-to-market value was negative \$74 thousand. This is the theoretical amount that the City would pay if the swap was terminated under market conditions as of March 31, 2026. This swap matures on August 1, 2026. Additionally, the City is required to make payments under two interest rate swap agreements that relate to conduit indebtedness; as of March 31, 2026, the total notional amount was \$125.5 million and the combined mark-to-market value was negative \$6.1 million. These swaps mature on May 15, 2039. The TFA has no outstanding swaps.

The variable rate receipts on outstanding interest rate swap agreements were originally based on the London Interbank Offered Rate (LIBOR), a benchmark index that has been phased out. Additionally, certain floating rate debt instruments included alternative rates based on LIBOR. To address the market's transition away from LIBOR, these swap and debt instruments were modified to incorporate the Secured Overnight Financing Rate (SOFR) as a replacement index.

New York City Municipal Water Finance Authority

The New York City Municipal Water Finance Authority (NYW or the Authority) was created in 1984 to finance capital improvements to the City's water and sewer system. Since its first bond sale in November 1985, the Authority has sold \$93.7 billion of bonds.

Of the aggregate bond par sold, as of May 12, 2026, \$35.2 billion is outstanding, \$42.5 billion, including \$665 million of special resolution crossover bonds, was refinanced, \$7.3 billion was defeased with Authority funds including economically defeased bonds, and \$8.7 billion was retired with revenues as they matured. In addition to this long-term debt, NYW uses bond anticipation notes (BANs) issued to the New York State Environmental Facilities Corporation (EFC) and has used a commercial paper program as a source of flexible short-term financing. As of May 12, 2026, NYW had \$10.9 million in outstanding BAN draws and available undrawn capacity of \$94.9 million pursuant to agreements with EFC to fund certain projects. NYW is authorized to draw up to \$600 million of commercial paper notes, including up to \$400 million of Extendable Municipal Commercial Paper. Currently, the Authority has no commercial paper outstanding.

NYW's outstanding debt also includes floating rate bonds, which have been a reliable source of cost-effective financing. As of May 12, 2026, NYW had \$4.4 billion of floating rate bonds representing approximately 13 percent of its outstanding debt. NYW's floating rate exposure consists primarily of tax-exempt floating rate debt supported by liquidity facilities. NYW also has floating rate bonds which do not require a bank facility, where interest rates are set periodically according to a benchmark index, or by a remarketing agent.

NYW participates in the State Revolving Fund (SRF) program administered by the EFC. The SRF provides a source of long-term below-market interest rate borrowing, subsidized by federal capitalization grants, state matching funds, and other funds held by EFC. The Authority's BAN draws are expected to be refinanced with fixed rate second resolution bonds issued to EFC.

Summarized in the table titled “NYW Issuance” is the issuance that has closed to date in 2026. The proceeds of the bonds were applied to pay the cost of improvements to the system, refund certain of the Authority’s outstanding debt, and pay the costs of issuance.

NYW Issuance					
(\$ in Millions)					
Series	(N)ew Money /(R)ef.	Issue Date	Par Amount	True Interest Cost (TIC)	Longest Maturity
2026 1, 2, 3, 4 ¹	N/R	8/5/25	\$707	2.61% ²	2055
2026 AA	N/R	12/2/25	\$1,028	4.60%	2055
2026 BB	N	2/5/26	\$825	4.93%	2056
2026 CC	N	2/5/26	\$175	VAR	2056
2026 5, 6 ¹	R	3/17/26	\$383	2.56% ²	2041
2026 DD	R	4/7/26	\$904	3.79%	2046
2026 EE	R	4/7/26	\$200	VAR	2041
2026 FF	R	4/7/26	\$204	VAR	2041
			\$4,426		

1 Bonds issued to EFC

2 Includes the benefit from the EFC subsidy and accounts for the cost of annual fees for administration

In addition to the transactions noted above, in April 2026 NYW remarketed approximately \$87.5 million of variable rate bonds in a fixed rate mode.

During the period from 2026 to 2030, NYW expects to issue an average of approximately \$2.9 billion of new money bonds per year. Of this amount, NYW plans to issue to EFC about \$300 million of bonds annually, taking advantage of the interest rate subsidy available for qualifying projects, and minimizing the overall costs of its financing program. NYW expects to issue approximately 90 percent of its new debt per year as fixed rate debt with the remainder issued as floating rate debt, subject to market conditions.

TSASC, Inc.

TSASC, Inc., a local development corporation, was created in October 1999 to fund a portion of the City’s capital program. TSASC’s currently outstanding bonds are secured by a pledge of 37.4% of tobacco settlement revenues (TSRs) eligible to be received by TSASC pursuant to a nationwide Master Settlement Agreement. Pursuant to a Security Agreement entered into by TSASC in December 2024, TSASC agreed to use unpledged TSRs received by TSASC to pay any projected shortfall on TSASC debt service payments through June 2028. The Security Agreement may be terminated by TSASC upon ninety days’ notice.

The financial plan does not currently contemplate the issuance of additional TSASC bonds for new money purposes.

Hudson Yards Infrastructure Corporation

Hudson Yards Infrastructure Corporation (HYIC), a not-for-profit local development corporation, was established to provide financing for infrastructure improvements to facilitate economic development on Manhattan’s far west side. Improvements to date have included the extension of the No. 7 subway line west and south, construction of a park, as well as the acquisition of development rights over the MTA rail yards, and may include additional projects in the future as authorized.

In December 2006, HYIC issued its first series of bonds in the principal amount of \$2 billion. HYIC completed its second issuance of \$1 billion of bonds in October 2011. Debt service on the HYIC bonds is being repaid from revenues generated by this new development, notably payments-in-lieu-of-property taxes (PILOT) on the commercial development, tax equivalency payments on residential developments, and various developer payments. To the extent these revenues are not sufficient to cover interest payments, the City has agreed to make interest support payments (ISP) to HYIC subject to appropriation. ISPs have not been required since 2015.

After the initial bond issues funding the capital improvements, HYIC has undertaken two refinancing transactions. In May 2017, HYIC issued approximately \$2.1 billion of refunding bonds which refinanced all of its initial \$2 billion bond issue and a portion of its second bond issue under a new legal structure. This allowed HYIC to remit accumulated revenues for the City's benefit, and also enabled HYIC to periodically transfer to the City excess revenues over and above amounts needed for HYIC debt service. Since 2017, HYIC has remitted approximately \$2 billion of total revenues.

In October 2021, HYIC issued approximately \$450 million in refunding bonds which refinanced the remainder of its second bond issue. This refinancing generated over \$50 million of savings during the period fiscal years 2022-2025 and additional annual savings thereafter. After the transaction, all of HYIC's bonds are under the legal structure established in the 2017 refunding transaction mentioned above.

HYIC's bonds are rated Aa2 by Moody's, AA by S&P, and AA- by Fitch. The outlook from S&P is stable and the outlook from Fitch is negative.

The No. 7 Subway extension was constructed by the MTA and began service in September 2015. The secondary entrance to this station located at W. 35th Street and Hudson Boulevard East opened in September 2018. Phase I of the Hudson Park and Boulevard opened to the public in August 2015 and is managed by the Hudson Yards Hell's Kitchen Alliance Business Improvement District. A second phase for the park ("Phase II") will expand the park north to 39th Street. Phase II is being financed through a term loan agreement which permits HYIC to draw up to \$380 million for project costs. As of April 7, 2026, HYIC has drawn approximately \$121 million on the term loan to fund costs of Phase II.

CAPITAL BUDGET

The Executive Capital Budget and Four-Year Plan, 2027-2030

The 2027 Executive Capital Budget includes new appropriations of \$27.8 billion, of which \$27.1 billion are to be funded from City sources. These appropriations, together with available balances from prior years, authorize total commitments of \$29.3 billion for 2027, of which \$27.8 billion will be City-funded. City funds include proceeds from the New York City Municipal Water Finance Authority and the New York City Transitional Finance Authority as well as City general obligation bonds.

Four-Year Plan Highlights

The 2027-2030 Capital Plan totals \$88.6 billion for the construction and rehabilitation of the City's infrastructure. This will provide funding targeted to maintaining the drinking water system, building and upgrading schools, enhancing transportation networks, increasing availability of affordable housing, and constructing new borough-based jail facilities.

The City will invest \$4.3 billion to upgrade the operational integrity and resiliency of its wastewater resource recovery facilities, as well as \$2.9 billion to address water quality problems from combined sewer overflow (CSO) discharges into the City's waterways, partly through a combination of grey and green infrastructure. In addition, the City will invest \$1.9 billion for the rehabilitation and construction of water supply tunnels and associated infrastructure, including the Brooklyn/Queens section of City Tunnel No. 3, a tunnel between Kensico Reservoir and the Catskill/

Delaware Ultraviolet Disinfection Facility, and Hillview Reservoir. The Capital Plan will provide \$14.8 billion for new school construction and expansion, as well as the rehabilitation, enhancement, and improvement to existing school buildings. The City will invest \$2.9 billion to reconstruct and rehabilitate bridges to ensure a state of good repair, including the Brooklyn-Queens Expressway (BQE) triple cantilever and the Shore Road Bridge over the Hutchinson River. The City will also provide \$1.2 billion to repave 1,100 vehicle lane miles and 50 bike lane miles of roadway per year. The Capital Plan will invest \$10.8 billion for the design and construction of new borough-based jail facilities. The City will provide \$12.5 billion for the preservation and new construction of affordable housing for low-to-moderate income households, and those with special needs. Additionally, the City will provide \$1.5 billion to support NYCHA's Section 8 conversion transactions under the Permanent Affordability Commitment Together (PACT) program and the New York City Public Housing Preservation Trust.

**FY 2026 - 2030 Commitment Plan
(\$ in Millions)**

	2026		2027		2028		2029		2030	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
<i>Environmental Protection</i>										
Equipment	\$317	\$317	\$180	\$180	\$122	\$122	\$67	\$67	\$37	\$37
Sewers	517	536	769	804	463	467	723	723	1,131	1,131
Water Mains, Sources & Treatment	663	729	874	874	761	794	1,063	1,099	466	466
Water Pollution Control	2,339	2,592	1,611	1,651	1,918	1,918	2,209	2,209	1,402	1,402
Water Supply	305	305	1,567	1,567	51	51	252	252	25	25
<i>Subtotal</i>	\$4,142	\$4,479	\$5,002	\$5,077	\$3,315	\$3,353	\$4,313	\$4,349	\$3,061	\$3,061
<i>Transportation</i>										
Mass Transit	\$453	\$497	\$400	\$400	\$400	\$400	\$400	\$400	\$405	\$405
Bridges	1,032	1,049	550	765	780	869	800	982	2,423	2,524
Highways	778	972	977	1,138	1,078	1,146	887	962	1,951	2,081
<i>Subtotal</i>	\$2,263	\$2,518	\$1,927	\$2,303	\$2,258	\$2,416	\$2,086	\$2,344	\$4,779	\$5,011
<i>Education</i>										
Education	\$4,950	\$5,053	\$4,643	\$4,794	\$4,200	\$4,200	\$4,500	\$4,500	\$1,289	\$1,289
Higher Education	255	259	414	414	300	300	139	139	52	52
<i>Subtotal</i>	\$5,205	\$5,312	\$5,057	\$5,208	\$4,500	\$4,500	\$4,639	\$4,639	\$1,341	\$1,341
<i>Housing & Economic Development</i>										
Economic Development	\$764	\$897	\$779	\$918	\$596	\$653	\$480	\$553	\$480	\$517
Housing	4,796	4,836	4,890	4,930	4,513	4,553	2,487	2,527	2,266	2,306
<i>Subtotal</i>	\$5,560	\$5,733	\$5,669	\$5,849	\$5,109	\$5,205	\$2,967	\$3,080	\$2,746	\$2,823
<i>Administration of Justice</i>										
Corrections	\$2,258	\$2,258	\$4,145	\$4,178	\$2,969	\$2,969	\$1,715	\$1,715	\$657	\$657
Courts	137	142	192	192	198	214	224	224	225	225
Police	403	433	325	325	111	111	16	16	27	27
<i>Subtotal</i>	\$2,798	\$2,833	\$4,662	\$4,696	\$3,278	\$3,294	\$1,955	\$1,955	\$909	\$909
<i>City Operations and Facilities</i>										
Cultural Institutions	\$399	\$431	\$210	\$233	\$204	\$204	\$105	\$105	\$293	\$293
Fire	209	254	227	230	176	176	105	105	104	104
Health & Hospitals	582	1,248	817	829	676	680	353	358	306	313
Parks	896	1,001	596	1,047	800	832	892	895	1,427	1,431
Public Buildings	182	185	254	256	249	249	153	153	138	138
Sanitation	426	443	204	211	229	229	348	348	307	307
Resiliency, Technology & Equipment	1,857	1,913	1,094	1,095	818	818	728	728	587	587
Other	2,127	2,234	2,039	2,302	690	801	533	566	520	524
<i>Subtotal</i>	\$6,677	\$7,708	\$5,442	\$6,202	\$3,842	\$3,989	\$3,216	\$3,256	\$3,683	\$3,698
<i>Total Commitments</i>	\$26,644	\$28,583	\$27,759	\$29,334	\$22,300	\$22,756	\$19,176	\$19,623	\$16,520	\$16,843
<i>Reserve for Unattained Commitments</i>										
	(\$6,075)	(\$6,075)	(\$4,016)	(\$4,016)	(\$1,245)	(\$1,245)	\$658	\$658	\$1,160	\$1,160
<i>Commitment Plan</i>	<u>\$20,569</u>	<u>\$22,508</u>	<u>\$23,743</u>	<u>\$25,318</u>	<u>\$21,055</u>	<u>\$21,511</u>	<u>\$19,834</u>	<u>\$20,281</u>	<u>\$17,680</u>	<u>\$18,003</u>
<i>Total Expenditures</i>	<u>\$17,787</u>	<u>\$18,826</u>	<u>\$19,337</u>	<u>\$20,532</u>	<u>\$20,521</u>	<u>\$21,582</u>	<u>\$19,472</u>	<u>\$20,568</u>	<u>\$18,865</u>	<u>\$19,843</u>

Note: Individual items may not add to totals due to rounding.

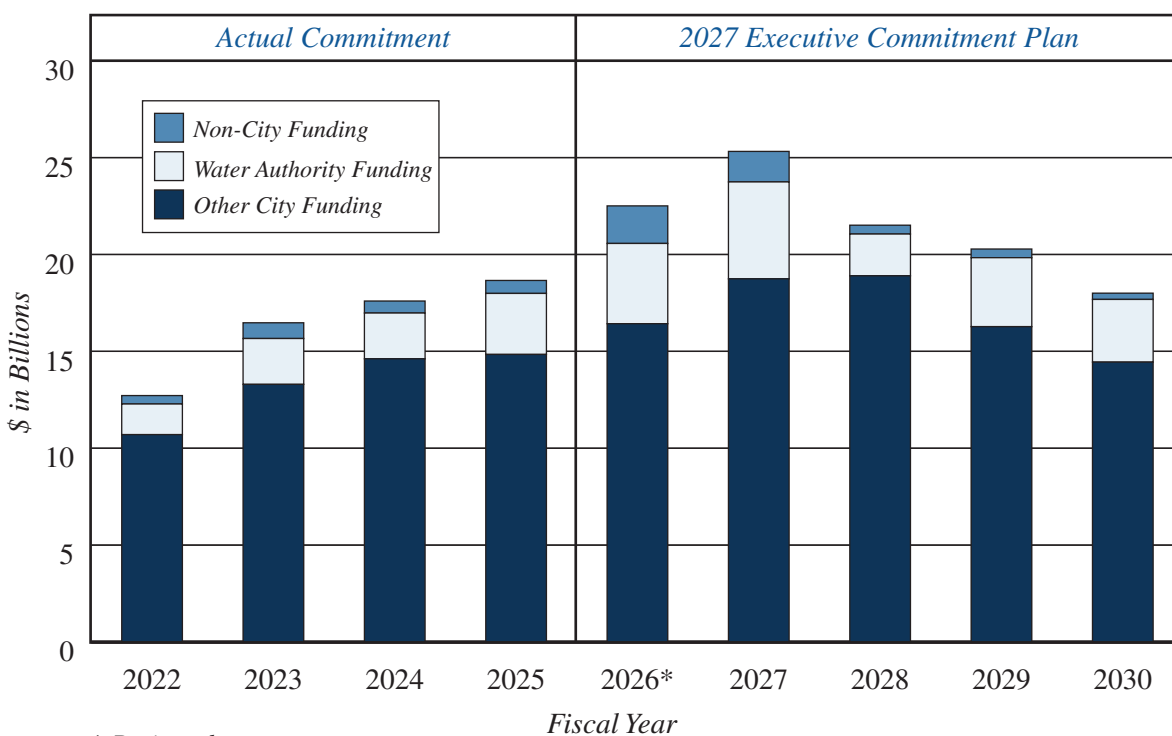
Non-City Funding Sources

Non-City capital funding sources include \$1.6 billion in the 2027 plan and \$2.8 billion over the 2027-2030 four-year plan period. The majority of non-City funding supports Transportation, Parks, Economic Development, Housing, and Education.

Transportation programs are projected to receive non-City funding of \$1.3 billion over the 2027-2030 period, with \$870.9 million from the Federal government, \$401.8 million from the State, and private funds of \$13.4 million. Parks programs are projected to receive \$490.1 million over the 2027-2030 period, with

\$309.8 million from the Federal government, \$144.5 million from the State, and \$35.8 million from private funds. Economic Development programs anticipate receiving \$306.1 million over the 2027-2030 period, with \$207.0 million in Federal funding and \$99.1 million from the State. Housing programs are projected to receive \$160.0 million in Federal funding over the 2027-2030 period. Education programs anticipate receiving \$150.8 million over the 2027-2030 period, with \$135.7 million from the Federal government and \$15.1 million from the State.

FY 2022 - 2030 CAPITAL COMMITMENTS BY FUNDING SOURCE



The Capital Program since 2022

The table below illustrates the changes in the size of the City's capital program over the 2022-2025 period.

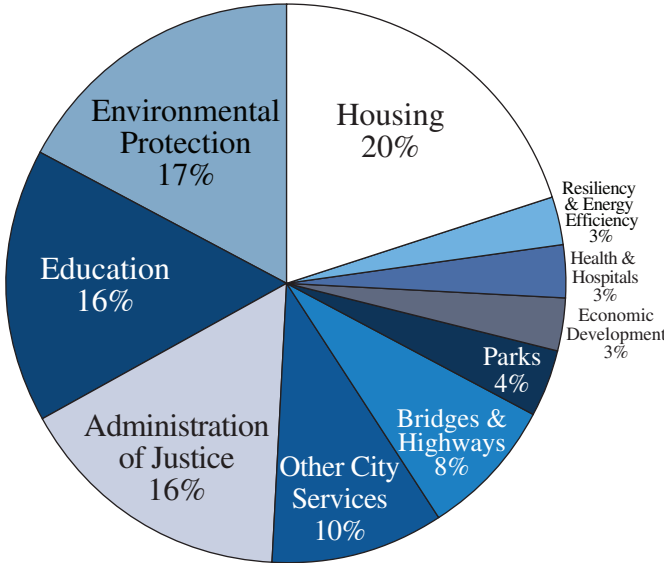
FY 2022-2025 COMMITMENTS
(\$ in Millions)

	2022		2023		2024		2025	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
<i>Environmental Protection</i>								
Equipment	\$30	\$30	\$130	\$130	\$10	\$10	\$79	\$79
Sewers	533	543	464	480	224	234	177	205
Water Mains, Sources and Treatment.....	197	197	309	326	343	350	331	371
Water Pollution Control.....	758	777	1,426	1,429	1,352	1,473	610	615
Water Supply	62	62	38	38	434	434	1,952	1,952
Subtotal.....	\$1,580	\$1,610	\$2,367	\$2,402	\$2,363	\$2,501	\$3,149	\$3,222
<i>Transportation</i>								
Mass Transit	\$760	\$772	\$1,189	\$1,199	\$1,458	\$1,458	\$277	\$277
Bridges.....	197	220	440	608	171	185	179	224
Highways.....	506	541	609	728	665	775	808	1,075
Subtotal.....	\$1,463	\$1,534	\$2,238	\$2,534	\$2,293	\$2,418	\$1,264	\$1,576
<i>Education</i>								
Education.....	\$4,139	\$3,989	\$4,519	\$4,532	\$3,972	\$3,991	\$3,729	\$3,739
Higher Education.....	44	44	100	100	33	33	100	100
Subtotal.....	\$4,183	\$4,032	\$4,619	\$4,632	\$4,005	\$4,024	\$3,829	\$3,839
<i>Housing & Economic Development</i>								
Economic Development	\$470	\$489	\$417	\$434	\$447	\$529	\$353	\$388
Housing	886	916	1,351	1,411	2,289	2,400	2,710	2,743
Subtotal.....	\$1,356	\$1,405	\$1,767	\$1,845	\$2,736	\$2,930	\$3,062	\$3,131
<i>Administration of Justice</i>								
Correction.....	\$499	\$499	\$775	\$775	\$983	\$983	\$2,529	\$2,529
Courts	240	241	27	27	97	100	148	148
Police	158	162	89	90	135	145	172	172
Subtotal.....	\$897	\$903	\$891	\$892	\$1,215	\$1,228	\$2,849	\$2,849
<i>City Operations & Facilities</i>								
Cultural Institutions.....	\$56	\$56	\$53	\$54	\$268	\$268	\$70	\$70
Fire.....	116	119	244	261	172	175	159	160
Health & Hospitals.....	629	792	711	756	470	501	318	333
Parks	461	538	482	554	602	622	623	668
Public Buildings	48	48	158	159	101	101	146	146
Sanitation.....	169	171	404	406	281	283	278	277
Resiliency, Technology & Equipment.....	778	916	1,044	1,238	1,125	1,173	1,149	1,233
Other	546	595	684	741	1,347	1,373	1,096	1,156
Subtotal.....	\$2,804	\$3,235	\$3,780	\$4,170	\$4,366	\$4,496	\$3,837	\$4,043
Total Commitments.....	\$12,282	\$12,718	\$15,663	\$16,475	\$16,978	\$17,597	\$17,990	\$18,659
Total Expenditures.....	\$9,440	\$10,530	\$10,512	\$12,150	\$13,951	\$14,524	\$15,344	\$15,578

Note: Individual items may not add to totals due to rounding.

2027 AUTHORIZED CAPITAL COMMITMENTS, BY PROGRAM

(\$ in Millions - All Funds)



<i>Program</i>	<i>2027 Plan</i>
Housing	\$5,771
Environmental Protection	5,077
Education	4,794
Administration of Justice	4,696
Bridges and Highways	2,491
Parks	1,047
Economic Development	918
Health & Hospitals	829
Resiliency & Energy Efficiency	801
Other City Services	2,910
Total	\$29,334

Source: NYC OMB

2027 Agency Highlights

Technology

- Information and Communication Systems: replacement of end-of-life data center infrastructure for the Office of Technology and Innovation (\$62.4 million); technology projects associated with the discovery requirements of the Criminal Justice Reform Initiative (\$23.5 million); and Emergency Communications Transformation Program (ECTP) facilities, software, and equipment to update and integrate the City’s computer-aided dispatch capabilities (\$21.9 million).

Environmental Protection and Sanitation

- Sewers: southeast Queens infrastructure build out (\$222.0 million); emergency replacement of failing sewer segments (\$114.8 million); resiliency measures, citywide (\$110.0 million); and replacement of failing components (\$109.8 million). The total Sewers program for 2027 is \$804.3 million.
- Water Mains, Sources and Treatment: in-city water main construction and ancillary work (\$498.6 million), including various state of good repair

projects, citywide (\$223.8 million) and water main rehabilitation in partnership with Department of Transportation street reconstruction projects (\$132.4 million); and improvements and reconstruction to infrastructure associated with water supply systems (\$375.9 million), including projects related to the Filtration Avoidance Determination (\$21.7 million). The total Water Mains, Sources, and Treatment program for 2027 is \$874.5 million.

- Wastewater Treatment: essential projects at wastewater resource recovery facilities and related infrastructure to sustain uninterrupted wastewater treatment operation (\$903.3 million); measures to address water quality problems attributed to combined sewer overflow discharges into the City’s surrounding waterways during wet weather conditions (\$578.5 million); and working with multiple City agencies to construct, install, and maintain various Green Infrastructure projects for stormwater capture, such as bioswales, tree pits, constructed wetlands, and green roofs (\$142.6 million). The total Wastewater Treatment program for 2027 is \$1.7 billion.

- **Water Supply:** construction of a tunnel connecting the Kensico Reservoir to the Catskill/Delaware Ultraviolet Light Facility (\$1.0 billion); and completion of the Brooklyn/Queens section of City Tunnel No. 3 (\$501.9 million). The total Water Supply program for 2027 is \$1.6 billion.
- **Equipment:** water conservation programs (\$50.7 million); network and security upgrades (\$49.8 million); fleet purchases (\$37.3 million); facility state of good repair (\$30.3 million); and air monitoring and environmental compliance contracts (\$3.7 million). The total Equipment program for 2027 is \$180.0 million.
- **Sanitation:** purchase of vehicles and equipment (\$124.3 million); component rehabilitation and construction of garages, citywide (\$65.8 million); improvements to solid waste management facilities and equipment (\$14.8 million); and information technology and telecommunications projects (\$5.6 million).
- **Transit:** contributions to the MTA's capital program, including subway track and signal improvements and other transit infrastructure rehabilitation. The Transit program for 2027 is \$400.0 million.

Education, Health and Social Services

Transportation

- **Bridges:** rehabilitation of bridges, including West Tremont Avenue over the Metro North Railroad in The Bronx (\$113.3 million); and rehabilitation of East 14th Street Pedestrian Bridge in Brooklyn (\$35.3 million). The total Bridge Program for 2027 is \$764.9 million.
- **Highways:** street reconstruction (\$528.3 million), including the reconstruction of Queens Boulevard, phase I (\$109.8 million) and Delancey Street safety improvement (\$42.0 million); primary and arterial street resurfacing of approximately 1,100 vehicle lane miles and 50 miles of bike lanes (\$275.4 million); and reconstruction of sidewalks and pedestrian ramps (\$247.4 million). The total Highways Program for 2027 is \$1.1 billion.
- **Traffic:** signal installation (\$325.7 million), including purchase and installation of red light cameras (\$97.4 million); upgrades and replacement of lampposts, luminaires, and associated infrastructure (\$13.9 million); and reconstruction of parking meters and facilities (\$8.3 million). The total Traffic Program for 2027 is \$476.1 million.
- **Ferries:** ferry terminal and maintenance facility improvements (\$61.6 million); and ferry boats (\$23.3 million). The total ferries program for 2027 is \$84.9 million.
- **Education:** rehabilitate, replace, and upgrade existing school buildings (\$1.4 billion); construct new schools (\$1.3 billion); cover emergency projects, research and development, and prior plan completion costs (\$804.2 million); expand additional capacity through leases, building additions, and site acquisitions (\$654.4 million); capital improvements that enhance educational programs (\$496.0 million); address the need for security systems, emergency lighting, and code compliance (\$74.6 million); and administrative support (\$40.0 million). The total Education program for 2027 is \$4.8 billion.
- **Higher Education:** miscellaneous reconstruction (\$230.6 million); new construction (\$160.4 million); and data processing and other equipment (\$23.0 million). The total Higher Education program for 2027 is \$414.0 million.
- **Health & Mental Hygiene:** Public Health Laboratory construction and outfitting (\$39.5 million); physical security upgrades for the Office of the Chief Medical Examiner (\$20.4 million); expansion of Neighborhood Health Action Centers (NHAC) as part of the Jamaica Neighborhood Plan (\$8.3 million); and animal care centers and other animal welfare investments (\$6.5 million).
- **NYC Health + Hospitals (H+H):** Correctional Health Services Outposted Therapeutic Housing Units (\$251.1 million); EMS ambulance purchases (\$118.8 million); electronic medical records system upgrades (\$10.7 million); revenue cycle management system upgrades (\$9.4 million); Queens Hospital expansion as part of the Jamaica Neighborhood Plan (\$7.0 million); and renovation and expansion of Bellevue Hospital's Adult Comprehensive Psychiatric Emergency Program (\$5.1 million).
- **Aging:** rehabilitation of older adult centers and relocation of the NYC Aging administrative office (\$8.5 million); and computer and network upgrades, and equipment purchases (\$2.1 million).
- **Administration for Children's Services:** renovations and upgrades of Juvenile Detention Facilities (\$160.0 million); and telecommunications and data

infrastructure upgrades and improvements (\$53.3 million).

- Homeless Services: renovation and upgrade of adult shelters (\$92.0 million); renovation and upgrade of family shelters (\$20.8 million); and computer network upgrades and equipment purchases (\$5.5 million).
- Human Resources: data infrastructure upgrades and improvements (\$110.7 million); construction and initial outfitting for citywide facilities (\$55.9 million); telecommunications (\$18.9 million); and automotive equipment (\$0.6 million).

Housing and Development

- Housing: provision of low-interest loans to finance the preservation or creation of affordable housing in privately-owned buildings through new construction (\$1.5 billion), preservation (\$1.3 billion), special needs housing (\$801.0 million), and disposition programs (\$144.0 million); provision of low-interest loans to support NYCHA's Permanent Affordability Commitment Together (PACT), and New York City Public Housing Preservation Trust transactions (\$1.0 billion); and technology, infrastructure, demolition and other ancillary investments (\$111.0 million).
- Housing Authority: capital funding to help NYCHA meet its obligations under the 2019 Executed Agreement with HUD and the City around public health concerns, including lead, mold, waste, heating, and elevator outages (\$447.0 million); general construction at NYCHA buildings, citywide (\$314.0 million); and roof replacements at NYCHA buildings, citywide (\$79.0 million).
- Economic Development: infrastructure upgrades and tenant space activation at the Brooklyn Army Terminal (\$74.0 million) and at the Brooklyn Navy Yard (\$62.5 million); site and resiliency improvements to the Hunts Point Market (\$115.5 million); infrastructure upgrades at Governors Island (\$98.6 million), including the development of the New York Climate Exchange campus (\$44.2 million); activation of city-owned grocery stores (\$70.0 million); sitewide improvements and building activation at the Bush Manufacturers, Artisans, Designers, and Entrepreneurs (MADE) campus (\$55.9 million); and phase II infrastructure work to catalyze development at Willets Point (\$50.0 million).

Administration of Justice and Public Safety

- Correction: new jail facilities (\$4.0 billion); improvements to building systems, infrastructure, and support space (\$87.5 million); and lifecycle replacement of equipment (\$41.2 million).
- Courts: infrastructure and operational improvements of court facilities (\$134.5 million); exterior renovations (\$43.0 million); elevator upgrades (\$18.2 million); and fire/life safety work (\$16.9 million).
- Police: construction, rehabilitation, and relocation of facilities, citywide (\$157.1 million); lifecycle replacement of vehicles (\$106.2 million); replacement and upgrades of critical network infrastructure equipment and data management systems (\$37.8 million); replacement and upgrades of portable radios, radio equipment, infrastructure, and systems (\$16.2 million); and replacement and upgrades of general equipment, citywide (\$8.2 million).
- Fire: construction and rehabilitation of firehouses, EMS stations, and support facilities (\$176.3 million); purchase of frontline and support vehicles and equipment (\$43.1 million); replacement and upgrades of information technology hardware and software (\$6.0 million); and replacement and upgrades of emergency communications systems (\$4.2 million).

Recreation and Cultural

- Parks: construction of the East Side Greenway 14th Street Connector bike path in Manhattan (\$112.3 million); GreenThumb garden irrigation watershed plan and environmental impact study, citywide (\$44.7 million); construction of the Roy Wilkins Recreation Center in Queens (\$40.0 million); reconstruction of Coney Island Beach Operations Headquarters at West 25th Street in Brooklyn (\$30.7 million); demolition and construction of Brownsville Recreation Center in Brooklyn (\$13.4 million); and reconstruction of Corporal Thompson Park in Staten Island (\$1.6 million).
- Public Libraries: Brooklyn Public Library improvements, including overhaul of the New Lots branch (\$55.3 million) and phase 2B of comprehensive renovations at the Central branch (\$27.1 million); New York Public Library improvements, including

- comprehensive renovation of the Tompkins Square branch (\$29.7 million) and interior renovation of the Aguilar branch (\$4.4 million) in Manhattan, and comprehensive overhaul of the Edenwald branch (\$4.6 million) and energy efficiency upgrades at the Pelham Parkway/Van Nest branch (\$1.7 million) in The Bronx; Queens Public Library improvements, including the complete renovation of the Laurelton branch (\$12.7 million) and exterior rehabilitation of the Ridgewood branch (\$5.1 million).
- Cultural Affairs: phase II renovation of the Irish Arts Center (\$20.4 million); building envelope restoration at the American Museum of Natural History (\$16.4 million); Clove Road entrance restoration at the Staten Island Zoological Society (\$10.9 million); HVAC upgrades for Brooklyn Children’s Museum (\$7.5 million); and ADA accessible addition and technology upgrades at the Bronx County Historical Society (\$1.3 million).
 - Energy Efficiency and Sustainability: energy efficiency measures and building retrofits (\$556.3 million), including the Accelerated Conservation and Efficiency (ACE) program (\$70.8 million) and solar panels at citywide facilities (\$20.9 million).
 - Resiliency: citywide resiliency and waterfront rehabilitation (\$245.2 million), including the East Side Coastal Resiliency measures (\$112.7 million), the rehabilitation of Harlem River Park (\$30.0 million), and the Brooklyn Bridge – Montgomery Coastal Resiliency project (\$4.8 million).

Department of Citywide Administrative Services

- Public Buildings: rehabilitation of city-owned space (\$103.1 million), including projects at 1 Centre Street (\$30.4 million) and 253 Broadway (\$9.5 million); reconstruction of 70 Mulberry Street (\$48.3 million); legal mandates (\$26.5 million), including fire/life safety upgrades to ensure Local Law 5 compliance (\$14.3 million) and façade upgrades to ensure Local Law 11 compliance (\$0.9 million); equipment and interagency services (\$20.6 million); and miscellaneous construction in other facilities (\$16.9 million), including installation of charging infrastructure for electric vehicles (\$15.8 million).

Borough Presidents' Allocations

The Charter requires an amount equal to five percent of the proposed new capital appropriations for the ensuing four years to be allocated to the Borough Presidents. This allocation is to be distributed to each borough based upon a formula that equally weighs population and land area. The tables below indicate the amounts added by the Borough Presidents for each programmatic area.

FY 2027-2030 Borough Presidents' Allocations*
(City Funded Appropriations \$ in Thousands)

	2027	2028	2029	2030
Bronx Program				
Cultural Affairs	\$2,554	—	—	—
Economic Development	407	—	—	—
Education	29,752	—	—	—
Higher Education	1,760	—	—	—
Hospitals	2,550	—	—	—
Housing	4,000	—	—	—
Housing Authority	400	—	—	—
Human Resources	81	—	—	—
New York Public Library	800	—	—	—
Parks	100	—	—	—
Police	500	—	—	—
GRAND TOTAL: BRONX	\$42,904	\$0	\$0	\$0
Brooklyn Program				
Brooklyn Public Library	\$5,250	—	—	—
Cultural Affairs	2,097	—	—	—
Economic Development	1,000	—	—	—
Education	16,394	—	—	—
Higher Education	1,600	—	—	—
Housing	2,000	—	—	—
Housing Authority	4,250	—	—	—
Human Resources	10,000	—	—	—
Parks	4,575	—	—	—
Public Buildings	85	—	—	—
GRAND TOTAL: BROOKLYN.....	\$47,251	\$0	\$0	\$0

* Appropriations include reallocation of prior amounts recommended by the borough presidents.

**Note: Individual items may not add to totals due to rounding.

FY 2027-2030 Borough Presidents' Allocations*
(City Funded Appropriations \$ in Thousands)

	2027	2028	2029	2030
Manhattan Program				
Cultural Affairs	\$27,907	—	—	—
Economic Development	257	—	—	—
New York Public Library	1,000	—	—	—
New York Research Library	3,000	—	—	—
Parks	1,500	—	—	—
GRAND TOTAL: MANHATTAN	\$33,664	\$0	\$0	\$0
Queens Program				
Children's Services	\$400	—	—	—
Cultural Affairs	4,000	—	—	—
Economic Development	—	1,500	—	—
Education	24,118	—	—	—
Higher Education	3,700	—	—	—
Hospitals	3,928	—	—	—
Parks	24,125	975	—	—
Public Buildings	1,000	—	—	—
GRAND TOTAL: QUEENS.....	\$61,271	\$2,475	\$0	\$0
Staten Island Program				
Education	\$17,016	—	—	—
GRAND TOTAL: STATEN ISLAND	\$17,016	\$0	\$0	\$0

* Appropriations include reallocation of prior amounts recommended by the borough presidents.

**Note: Individual items may not add to totals due to rounding.

Management Initiatives

Management initiatives continue to be developed and implemented to enhance the administration and advancement of the capital program. These include:

- continued improvements to capital program management.
- updating the charter-mandated capital asset condition assessment.
- application of value engineering to reduce capital and operating costs.

Capital Program Management

The Department of Design and Construction (DDC) was created in October 1995 by Local Law 77, which authorized it to assume responsibility for construction projects performed by the Departments of Transportation, Environmental Protection and General Services. DDC delivers the city's construction projects in an expeditious, cost-effective manner, while maintaining the highest degree of architectural, engineering and construction quality. The Department performs design and construction functions related to streets and highways; sewers; water mains; correctional and court facilities; cultural buildings; libraries; and other public buildings, facilities, and structures.

The consolidation of design and construction into a single agency allows for the elimination of duplicative program units within agencies; the standardization of construction procedures and practices; the implementation of reforms of current practices relating to procurement for construction projects; and the expansion of the use of construction-related technology, including Computer-Aided Drafting and Design (CADD); and a project management information system. The Department also enables the city to coordinate a wide variety of construction projects with utilities, community representatives, and private industry, thus minimizing the disruption to individual neighborhoods caused by water-main projects, sewer construction, and road work, as well as reducing the costs associated with such projects. The Department of Design and Construction serves more than 22 client agencies.

Capital Project Scope Development and Cost Estimation

Some capital projects contain significant risks and uncertainties that can lead to cost escalation. Construction or site complexity, unclear or evolving programmatic requirements, regulatory or legal issues, and conflicting stakeholder objectives are some of the factors which can result in projects exceeding their budgets. In an effort to control cost overruns, capital projects undergo a more intensive scope development and cost estimation prior to being included in the capital plan.

Capital Asset Inventory and Maintenance Program

The New York City Charter requires an annual assessment of the city's major assets including buildings, piers, bulkheads, marinas, bridges, streets and highways, and the preparation of maintenance schedules for these assets. This assessment report (AIMS), based on field surveys by technical professionals, details state of good repair needs and is used by agencies for capital planning purposes. A separate volume, published as a reconciliation, reports on the amounts recommended in the annual condition surveys with amounts funded in budget. To incorporate current technology and standards into the Maintenance Program, the city conducts ongoing reviews of the methodologies used in surveying and estimating the cost of maintaining its fixed assets in a state of good repair.

Value Engineering

Value Engineering (VE) is a systematic analytical methodology directed toward analyzing the functions of projects for the purpose of achieving the best value at the lowest life cycle project cost. From its inception in 1982 OMB's VE program has utilized innovations in value management methodology to evaluate an ever-expanding group of projects, widening the scope and depth of project reviews to include Value Analysis (VA) reviews of the city's operational processes and functions to assist agencies in streamlining their procedures to effect increased efficiency and improvements.

Value Engineering is a collaborative effort between all concerned city agencies with budgetary and operational jurisdiction over a project, and outside consultants with expertise on critical project components. The city has utilized VE effectively to review complex and costly capital projects to ensure they meet functional requirements and are cost effective and timely. These Value Management reviews enable agency decision makers to reach informed conclusions about a project's scope, cost and schedule. In addition to defining potential cost reductions, the VE process frequently generates project improvements and anticipates project risks early in the design process, and solves functional problems by raising relevant issues which adversely compromise the project's development, cost and schedule. OMB's Value Management Program continues to be successful, both as an operational and capital management tool. The benefits of VE and the overall returns on the reviewed projects have proven to be effective in terms of both significant capital and life cycle cost reductions while protecting each project's required functionality and mission. VA enables improvements to operational processes and more efficient service delivery. Studies scheduled for upcoming VE reviews include environmental projects, dams, roadways, bridges, treatment plants, and operational reviews.

Analysis of Agency Budgets

The following table reflects the allocation of fringe benefits, pensions, and debt service costs against the City to each agency to derive the total cost of agency operations.

Full Agency Costs for FY 2027
(\$ in Millions)

Agency	Personal Service Costs				Other Than Personal Service Costs				Gross Total All Funds (Includes Intra - City)	Net Total All Funds (Excludes Intra - City)	City Funds Total
	Salaries & Wages	Fringe Benefits	Pensions	PS Subtotal	Agency OTPS	PA, MA & Other Mandates	Debt Service	OTPS Subtotal			
Uniformed Forces											
Police	\$5,941	\$3,477	\$2,608	\$12,026	\$583	\$—	\$221	\$804	\$12,830	\$12,547	\$12,454
Fire.....	2,383	1,236	1,468	5,087	258	—	246	504	5,591	5,591	5,135
Correction	1,005	1,026	505	2,536	230	—	194	424	2,960	2,960	2,942
Sanitation	1,283	706	346	2,335	782	—	303	1,085	3,420	3,411	3,393
Subtotal.....	\$10,612	\$6,445	\$4,927	\$21,984	\$1,853	\$—	\$964	\$2,817	\$24,801	\$24,509	\$23,924
Health and Welfare											
Admin. For											
Children’s Services.....	\$625	\$274	\$78	\$977	\$2,889	\$—	\$—	\$2,889	\$3,866	\$3,863	\$1,542
Social Services	1,018	505	134	1,657	4,082	9,498	72	13,652	15,309	15,306	12,379
Homeless Services	182	77	21	280	4,034	—	—	4,034	4,314	4,307	3,561
Health and Mental Hygiene	685	265	78	1,028	1,958	—	67	2,025	3,053	3,042	1,916
Health + Hospitals	—	65	—	65	1,746	—	305	2,051	2,116	2,016	1,917
Subtotal.....	\$2,510	\$1,186	\$311	\$4,007	\$14,709	\$9,498	\$444	\$24,651	\$28,658	\$28,534	\$21,315
Education											
Education	\$16,283	\$5,917	\$2,650	\$24,850	\$16,003	\$1,195	\$2,835	\$20,033	\$44,883	\$44,852	\$26,466
City University.....	821	300	102	1,223	455	—	68	523	1,746	1,671	1,347
Subtotal.....	\$17,104	\$6,217	\$2,752	\$26,073	\$16,458	\$1,195	\$2,903	\$20,556	\$46,629	\$46,523	\$27,813
Other Agencies.....	4,173	1,735	543	6,451	10,522	—	4,744	15,266	21,717	20,254	17,484
Elected Officials.....	943	318	114	1,375	210	—	—	210	1,585	1,574	1,495
Miscellaneous	604	105	112	821	—	3,667 ⁽¹⁾	316	3,983	4,804	4,605	4,261
Debt Service (Unallocated)....	—	—	—	—	—	—	164	164	164	164	61
Prior Payable Adjustment	—	—	—	—	(400)	—	—	(400)	(400)	(400)	(400)
Total - All Funds⁽²⁾	\$35,946	\$16,006	\$8,759	\$60,711	\$43,352	\$14,360	\$9,535	\$67,247	\$127,958	\$125,763	
Total - City Funds⁽²⁾	\$25,011	\$13,274	\$8,514	\$46,799	\$28,396	\$11,561	\$9,197	\$49,154			\$95,953
Less: Prepayments	\$—	\$—	\$—	\$—	\$—	\$—	\$1,063	\$1,063	\$1,063	\$1,063	\$1,063
Total After Prepayments	\$35,946	\$16,006	\$8,759	\$60,711	\$43,352	\$14,360	\$8,472	\$66,184	\$126,895	\$124,700	\$94,890

(1) Includes Labor Reserve, General Reserve, Judgments and Claims, MTA Subsidies and Other Contractual Services.
 (2) Excludes the impact of prepayments.

DEPARTMENT OF EDUCATION

The New York City Department of Education (DOE) provides primary and secondary education for about one million school-age children. Through a network of elementary, junior high, intermediate, and high schools as well as full-day pre-kindergarten programs and special education schools, the Department provides basic instructional services, offering students special education, instruction for English language learners and career and technical training. Support services include free and subsidized transportation, free meals, and the operation and maintenance of approximately 1,800 schools.

Financial Review

The Department of Education's 2027 operating budget is \$37.9 billion, an increase of \$0.3 billion from the 2026 forecast of \$37.6 billion. In addition, education-related pension, debt service, and other fringe costs of \$7 billion are budgeted in separate agencies. These additional costs include a decrease of \$396 million. City funds including pensions, debt service and other fringe support \$26.5 billion of the Department of Education's expense budget in 2027, a decrease of \$373 million, or one percent. State funds support \$16.3 billion, an increase of \$666 million. The balance of the education budget is supported by \$2 billion in federal aid, a decrease of \$299 million from the 2026 forecast, \$31 million in intra-city funds and \$68 million in other categorical funds. Including those funds budgeted centrally, total funds budgeted on behalf of the Department of Education decrease from \$45 billion in the 2026 forecast to \$44.9 billion in the 2027 Executive Budget.

Expense Budget Highlights

The 2027 Executive Budget reflects the Administration's commitment to universal Early Childhood Education as well as other high impact programs to improve student outcomes and enhance the quality and safety of our schools. Highlights include:

Early Childhood Education

The Administration has committed to robust universal childcare for all New Yorkers and is investing further in that commitment in the 2027 Executive Budget through the following initiatives:

- Baseline funds to provide much needed outreach to families eligible to enroll in 2K, 3K, and Pre-K (\$5 million).

- Baseline funds and almost 200 additional staff for the Division of Early Childhood Education and partner divisions to ensure providers and families get the support they need as we expand this critical program (\$36+ million).
- Raise the per child rates for our valued contracted providers who have been providing this critical service without a rate increase since 2021 despite increasing costs every year (\$40 million).
- New baselined funding for additional specialized programs, as well as increased staff to evaluate and support Special Education Pre-K students (\$67+ million).

Every Child and Family Is Known

The Administration added baselined funding to expand a program that pairs DOE students and their families who are living in city homeless shelters with caring adults in their school building to connect them with critical support and services (\$7+ million).

NYC Reads and Solves

The Administration expanded NYC Reads and Solves to students in additional grade levels to ensure high quality literacy and mathematics instruction for students systemwide (\$17 million).

Facilities Support

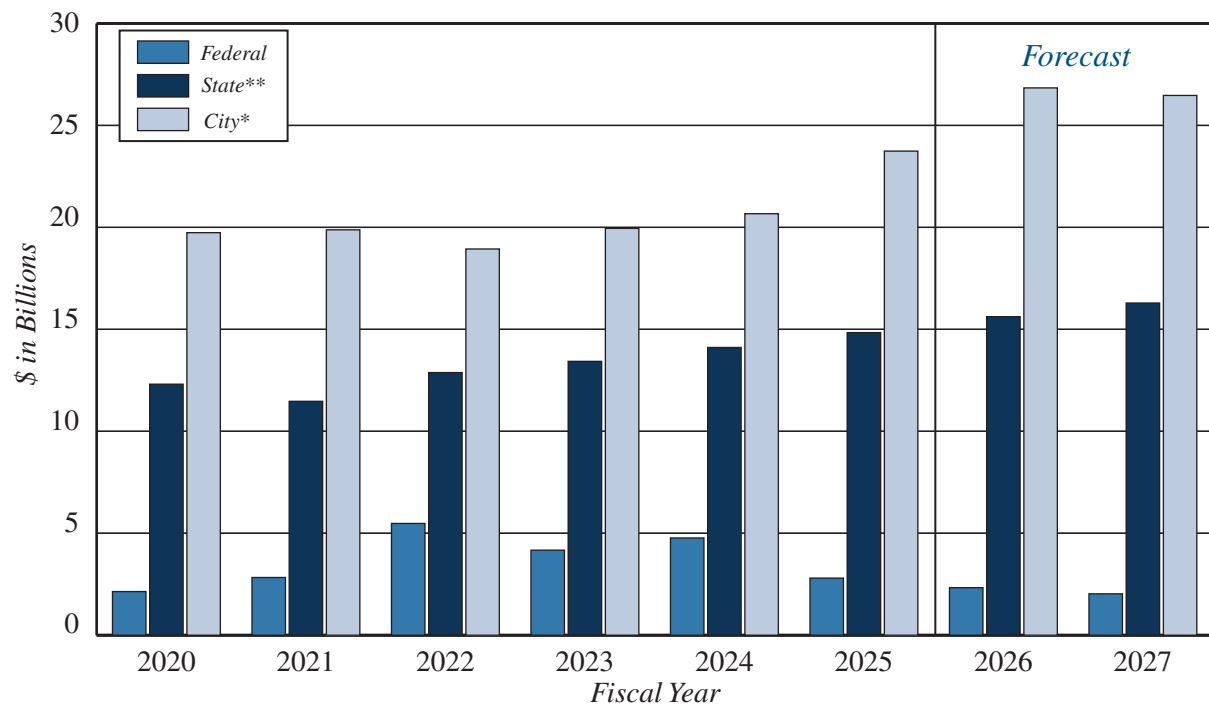
The Department now has baselined funding for critical facilities maintenance and upgrades for HVAC, boilers, and elevators, as well as continued lead testing (\$51+ million).

Summary of Agency Financial Data

The following table compares 2027 Executive Budget with the 2027 Preliminary Budget, the 2026 forecast and actual expenditures for 2025, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2025 Actual	2026 Forecast	2027		2026	2027
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$14,819,048	\$15,564,608	\$16,651,143	\$16,282,677	\$718,069	(\$368,466)
Fringe Benefits	4,879,242	5,330,173	5,557,046	5,637,982	307,809	80,936
OTPS	14,974,041	16,734,835	15,821,675	16,003,379	(731,456)	181,704
Total	\$34,672,331	\$37,629,616	\$38,029,864	\$37,924,038	\$294,422	(\$105,826)
Funding						
City	\$17,854,410	\$20,698,054	\$20,891,363	\$20,705,387	\$7,333	(\$185,976)
Other Categorical Grants	217,409	79,500	159,397	67,680	(11,820)	(91,717)
IFA	—	—	—	—	—	—
State	13,672,834	14,409,501	14,941,502	15,091,269	681,768	149,767
Federal CD	2,930	2,963	2,963	3,063	100	100
Federal Other	2,800,267	2,325,036	2,025,609	2,025,609	(299,427)	—
Intra-City Other	124,481	114,562	9,030	31,030	(83,532)	22,000
Total	\$34,672,331	\$37,629,616	\$38,029,864	\$37,924,038	\$294,422	(\$105,826)
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$231,223	\$260,632	\$278,872	\$279,496	\$18,864	\$624
Pensions	3,437,647	3,375,639	3,690,151	2,649,541	(726,098)	(1,040,610)
Other Than Personal Service (OTPS)						
Debt Service (incl. BARBs)	3,379,761	3,718,725	4,101,171	4,029,816	311,091	(71,355)
Total Additional Costs	\$7,048,631	\$7,354,996	\$8,070,194	\$6,958,853	(\$396,143)	(\$1,111,341)
Funding						
City	5,885,913	6,141,371	6,872,415	5,761,073	(380,298)	(1,111,342)
Non-City	1,162,718	1,213,625	1,197,779	1,197,780	(15,845)	1
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$14,819,048	\$15,564,608	\$16,651,143	\$16,282,677	\$718,069	(\$368,466)
Fringe Benefits	5,110,465	5,590,805	5,835,918	5,917,478	326,673	81,560
Pensions	3,437,647	3,375,639	3,690,151	2,649,541	(726,098)	(1,040,610)
Total PS	\$23,367,160	\$24,531,052	\$26,177,212	\$24,849,696	\$318,644	(\$1,327,516)
OTPS	14,974,041	16,734,835	15,821,675	16,003,379	(731,456)	181,704
Debt Service (incl. BARBs)	3,379,761	3,718,725	4,101,171	4,029,816	311,091	(71,355)
Total OTPS	\$18,353,802	\$20,453,560	\$19,922,846	\$20,033,195	(\$420,365)	\$110,349
Total Agency Costs	\$41,720,962	\$44,984,612	\$46,100,058	\$44,882,891	(\$101,721)	(\$1,217,167)
Less Intra-City	124,481	114,562	9,030	31,030	(83,532)	22,000
Net Agency Cost	\$41,596,481	\$44,870,050	\$46,091,028	\$44,851,861	(\$18,189)	(\$1,239,167)
Funding						
City	23,740,323	26,839,425	27,763,778	26,466,460	(372,965)	(1,297,318)
Non-City	17,856,158	18,030,625	18,327,250	18,385,401	354,776	58,151
Personnel (includes FTEs at fiscal year-end)						
City	111,085	116,802	115,894	116,773	(29)	879
Non-City	36,480	38,433	39,378	39,383	950	5
Total	147,565	155,235	155,272	156,156	921	884

FUNDING SOURCES 2020 - 2027



* City funds include TFA and GO debt service, pensions and other fringe.
 ** State funds include debt service and pensions.

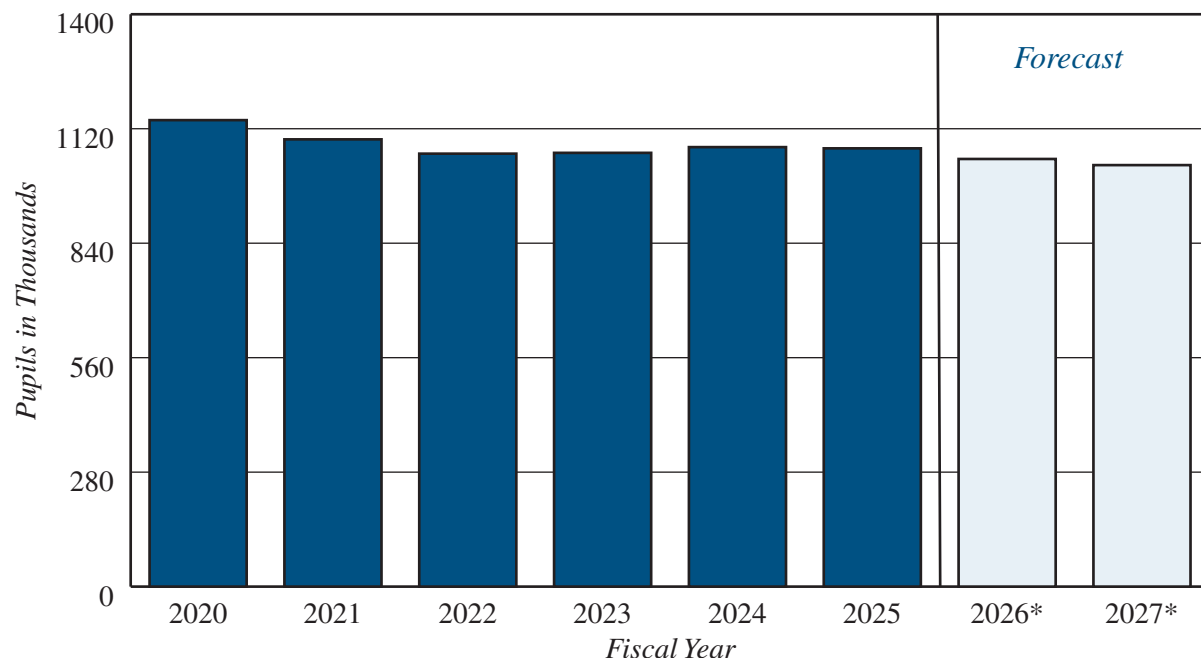
Source: NYC OMB

**New York City Public School Enrollment
 School Year 2023-2027**

	2023 Actual	2024 Actual	2025 Actual	2026 Projections	2027 Projections
DOE Facilities Enrollment					
General Education*	649,380	651,220	645,111	617,977	596,987
Special Education**	154,353	157,464	159,054	164,478	165,517
Full Day Pre-K	27,665	27,409	26,327	26,256	25,363
Full Day 3-K	10,643	10,726	11,477	11,670	11,950
Subtotal	842,041	846,819	841,969	820,381	799,817
Non-DOE Facilities Enrollment					
Charter Schools	135,755	139,786	142,550	145,309	147,810
Contract Schools	5,540	5,048	5,009	4,615	4,700
Full Day Pre-K at NYCEECs	29,891	31,264	29,385	28,010	27,058
Half Day Pre-K at NYCEECs	789	310	597	548	529
Full Day 3-K at NYCEECs	32,008	32,956	33,409	32,219	32,992
Full Day 2-K at NYCEECs	0	0	0	0	2,000
EarlyLearn***	6,092	10,349	10,866	7,099	7,433
State Approved Nonpublic Special Education Preschool	8,774	8,945	7,796	8,282	8,282
Subtotal	218,849	228,658	229,612	226,082	230,804
TOTAL	1,060,890	1,075,477	1,071,581	1,046,463	1,030,621

* General Education enrollment includes students served in Integrated Co-Teaching (ICT) settings as well as those in traditional classrooms.
 ** Special Education enrollment includes Community School District and High School Special Education students in self-contained classrooms, Citywide, Home and Hospital Instruction, and Special Education students served in ICT settings.
 *** EarlyLearn enrollment includes children aged 0-2. 3- and 4-year olds in EarlyLearn settings are counted in Pre-K and 3-K lines.

NYC PUBLIC SCHOOL ENROLLMENT 2020 - 2027



Includes Charter Schools, Special Education Pre-K, Universal Pre-K, 3-K, 2-K, Special Education Contract Schools and Integrated Co-Teaching. Excludes Long Term Absences.

** Projected as of 2027 Executive Budget*

Source: NYC OMB

The Student Population

Total enrollment supported by the Department’s budget, including pre-kindergarten, charter school, and special education contract school students, is projected to decrease by 15,842 from 1,046,463 in 2026 to 1,030,621 in 2027. Of this total, the City projects that general education public school enrollment for kindergarten through grade 12 will be 717,789. Of these students, 596,987 are expected to attend schools operated by the Department of Education and 120,802 are expected to attend charter schools.

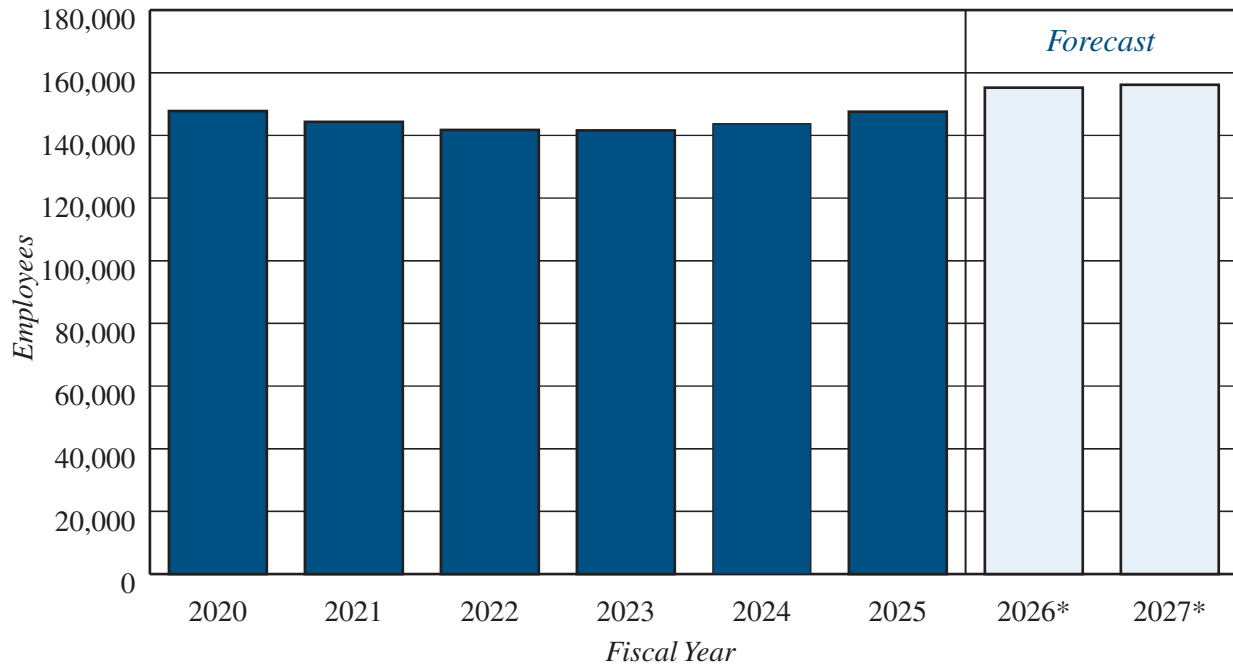
In 2027, the City projects that 197,225 school-age students will be enrolled in special education programs (a 22 percent share of total K-12 enrollment). This projected enrollment level is 597 students higher than

the 2026 special education population of 196,629. Of these students, 84 percent are expected to attend the Department of Education facilities, 14 percent are expected to attend charter schools, and two percent are expected to attend specialized private facilities (“contract schools”) paid for through the Department’s budget.

The City projects that 106,174 three- and four-year-olds will be served in Pre-K, 3-K, and State approved nonpublic special education programs in 2027. Of these, 35 percent will attend DOE facilities and 65 percent will attend programs in non-DOE facilities. Additionally, the City projects that it will serve 2,000 two-year-olds in the new 2-K program.

Staffing Levels

**FULL TIME AND FULL TIME EQUIVALENT
DEPARTMENT OF EDUCATION EMPLOYEES 2020 - 2027**

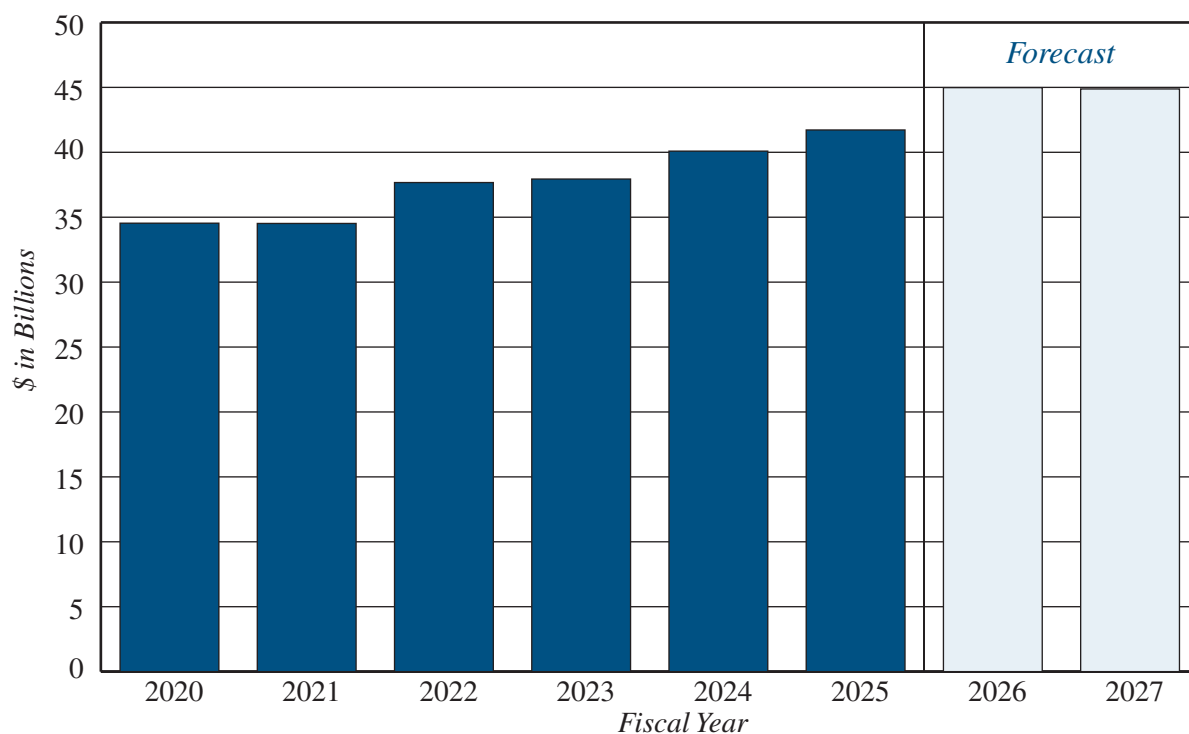


* Projected as of 2027 Executive Budget

Source: NYC OMB

In 2027, the City’s financial plan supports a staffing level of 156,156. Of this count, 141,414 are full-time and 14,742 are Full Time Equivalents (FTEs). Pedagogical employees (which include teachers, superintendents, principals, assistant principals, guidance counselors, school secretaries, educational paraprofessionals, and other school support staff) make up 128,516 of the full-time employees and 857 of the FTEs. Civilian employees represent 12,898 of the full-time employees and 13,885 of the FTEs.

TOTAL DEPARTMENT OF EDUCATION EXPENDITURES 2020 - 2027*



* Total DOE expenditures include pensions, other fringe, TFA and GO debt service.

Source: NYC OMB

Capital Review

The City’s Four-Year Education Capital Plan for 2027-2030 anticipates spending \$14.8 billion on creating new seats, school improvements, and enhancement projects and includes the last three years of the Department of Education’s and the School Construction Authority’s 2025-2029 Five-Year Capital Plan. The School Construction Authority (SCA) is responsible for managing, planning, and budgeting, as well as building new schools and supporting capital investments to existing school buildings on behalf of the Department of Education.

The table below shows planned capital commitments by program area over the 2027-2030 period.

**Capital Commitments
(\$ in 000’s)**

	2027 Plan		2028 Plan		2029 Plan		2030 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
System Expansion: New Schools	\$1,304,811	\$1,304,811	\$1,067,790	\$1,067,790	\$1,299,860	\$1,299,860	\$232,872	\$232,872
System Expansion: Other	\$654,430	\$654,430	\$1,036,610	\$1,036,610	\$1,011,130	\$1,011,130	\$173,059	\$173,059
Rehabilitation of School Components	\$1,420,042	\$1,420,042	\$988,020	\$988,020	\$1,131,070	\$1,131,070	\$475,982	\$475,982
Educational Enhancements	\$496,000	\$496,000	\$526,000	\$526,000	\$527,990	\$527,990	\$33,069	\$33,069
Emergency, Unspecified and Miscellaneous	\$653,419	\$804,175	\$467,030	\$467,030	\$415,780	\$415,780	\$204,948	\$204,948
Safety and Security	\$74,550	\$74,550	\$74,550	\$74,550	\$74,170	\$74,170	\$152,772	\$152,772
Ancillary Facilities (Administration)	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$16,189	\$16,189
Total.....	\$4,643,252	\$4,794,008	\$4,200,000	\$4,200,000	\$4,500,000	\$4,500,000	\$1,288,891	\$1,288,891

The Department of Education's and the School Construction Authority's 2025-2029 Five-Year Capital Plan totals \$22.6 billion and will provide:

- Capacity \$8.48 billion. This includes \$7.63 billion for new capacity projects which will help the City meet class size reduction goals per state law. \$1.5 billion of this is being newly added in this executive budget. The capacity category also includes \$250 million for the removal of Temporary Classroom Units (TCUs) and playground redevelopment, \$400 million for the facility replacement program, and \$200 million for early education.
- Healthy Schools \$2.32 billion. This includes \$1.40 billion to support electrification of existing school buildings to reduce the carbon footprint of City schools, \$350 million for heating plant upgrades, \$390 million for physical education projects, and \$180 million for health and nutrition projects.
- Capital Investment \$7.95 billion. This includes \$3.43 billion for the capital improvement program, allowing for exterior and interior building upgrades and other necessary capital repairs to school buildings, and \$1.61 billion for targeted investments at specific schools. This also includes \$2.91 billion for school enhancement projects, such as \$1.3 billion to invest in DOE IT capital projects, \$800 million to create more accessible options for students with mobility impairments and other physical disabilities, \$150 million to provide safety and security within schools to ensure a safe learning environment, as well as funding to create innovative learning spaces, and improvements to science labs, libraries, auditoriums, kitchens, and bathrooms.
- Mandated Programs \$3.72 billion. This provides funding to meet requirements of local law, City agency mandates, and other required elements such as remediation, boiler conversions, building code compliance, insurance, and emergencies.

ADMINISTRATION OF JUSTICE

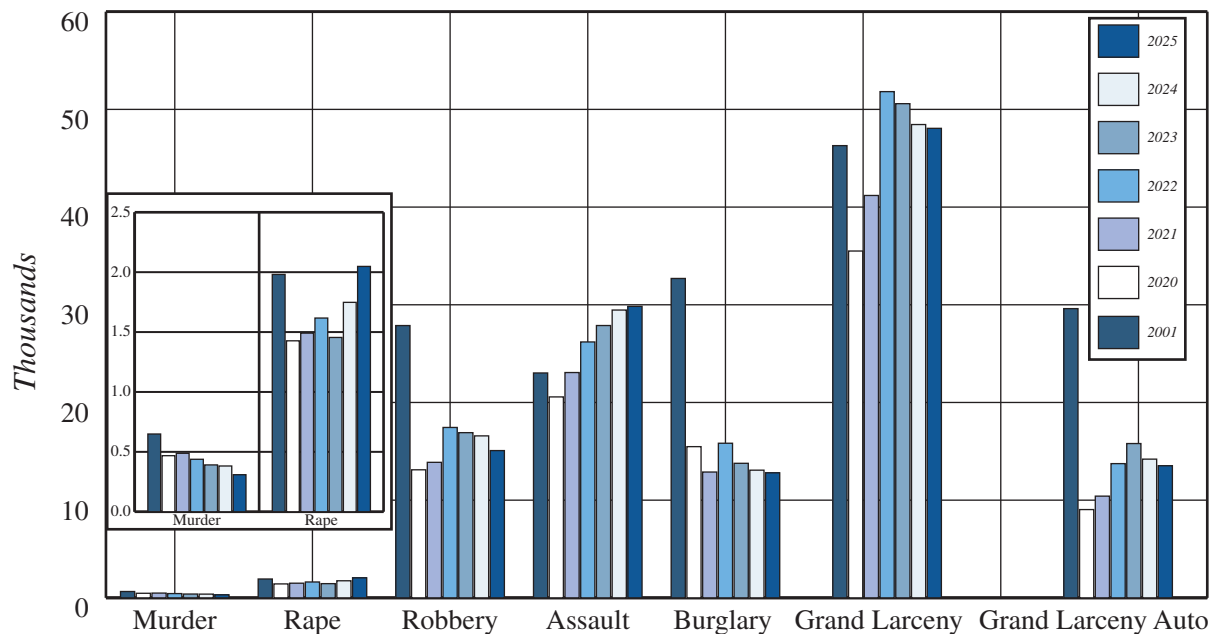
Overview

In calendar year 2025, the New York City Police Department (NYPD) continued to prioritize and adapt police operations to respond to the City’s most vulnerable communities and address the public safety concerns of everyday New Yorkers. The Department remained operational at all levels and responded to 911 and 311 calls for service, addressed criminal activity, investigated crime, countered threats of terrorism, managed traffic control, and ensured public safety citywide. The Department is committed to ensuring public safety through a multifaceted precision approach to lower the incidence of crime, promote trust and respect, and solve problems collaboratively with members of the community.

When compared to the year-end CompStat report for calendar year 2024, the NYPD’s index crime data for calendar year 2025 shows that overall major felony crime decreased 1.8 percent (121,652 vs. 123,890). Murder decreased by 19.1 percent (309 vs. 382), robbery decreased by 9.1 percent (15,075 vs. 16,580), burglary decreased by 2.1 percent (12,798 vs. 13,070), grand larceny decreased by 0.8 percent (48,061 vs. 48,450), and grand larceny auto decreased by 4.8 percent (13,523 vs. 14,199). Rape increased by 17.2 percent (2,048 vs. 1,748), and assault increased by 1.3 percent (29,838 vs. 29,461).

NEW YORK CITY COMPSTAT

Calendar Years 2001 - 2025*



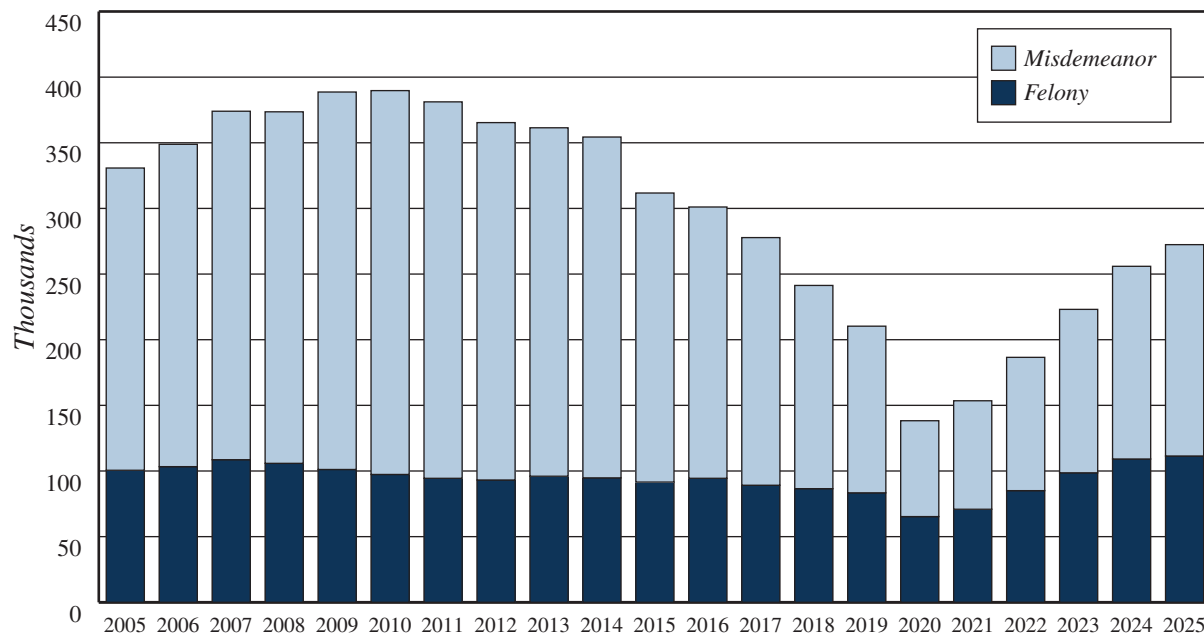
* NYPD is utilizing its CompStat statistics.

Source: NYPD

Arrests totaled 276,404 in calendar year 2025, increasing by 18,262 from calendar year 2024. The overall arrest level increased by 7.1 percent from calendar year 2024. Felony arrests increased by 2.1 percent, misdemeanor arrests increased by 9.7 percent, and violation arrests increased by 78.9 percent. The distribution of arrests resulted in 40.3 percent felonies, 58.2 percent misdemeanors, and 1.4 percent violations.

NEW YORK CITY FELONY & MISDEMEANOR ARRESTS

Calendar Years 2005 - 2025



Source: NYPD

POLICE DEPARTMENT

In calendar year 2025, the Department built upon its efforts to reduce crime through precision deployment strategies based on rigorous data analysis with consistent follow-up and reevaluation. This includes a focus on precision policing in hyper-local crime zones, sustained elevated officer deployment across high-priority subway stations and trains, and continued multi-agency partnerships with other city agencies to provide a holistic response to public safety concerns. The Department’s precision policing model led to an overall reduction in five of the seven major index crime categories, with 2,238 fewer incidents reported than in 2024. The Department’s strategy, which prioritizes reducing gun violence, led to 23.9 percent fewer shooting incidents and 21.9 percent fewer shooting victims when compared to 2024. The Department’s strategy also led to the continued reduction across all major theft categories: in 2025, there were 1,505 fewer robbery complaints, 272 fewer burglary complaints, 389 fewer complaints of Grand Larceny, and 676 fewer complaints of Grand Larceny Auto. Officers carrying out complex, street-level investigations removed 5,293 illegal firearms removed from City streets.

DEPARTMENT OF CORRECTION

The New York City Department of Correction (DOC) is dedicated to creating a safe and supportive environment while providing individuals in our care with a path to successfully re-enter their communities. Departmental operations include transportation, fire safety, investigations, communications, print shop, laundry, power plant, food service, and much more. In addition to promoting a safe environment for people in New York City custody, DOC staff facilitate programming, support court operations, investigate crimes and work with community-based organizations on a range of prevention strategies.

OTHER CRIMINAL JUSTICE PROGRAMS

The Mayor’s Office of Criminal Justice’s (MOCJ) work is grounded in policy and research innovation to design and evaluate Citywide safety strategies. MOCJ deploys evidence-based programmatic offerings and pilots curated with partners across the justice system including mayoral agencies, courts, prosecutors, indigent defense providers, non-profits, foundations, and all New Yorkers. These strategies aim to increase

safety, reduce unnecessary arrests and incarceration, and improve the system's fairness. MOCJ's work includes:

- **Policy and Research Initiatives:** MOCJ supports policy efforts that drive systemic change in New York City's criminal legal system landscape. These initiatives focus on revising laws, updating practices, and piloting new strategies that promote public safety, reduce over-incarceration, and increase access to justice. The work focuses on constant review and support of partner service organizations to ensure direct service providers have resources to adequately meet contractual responsibilities. To that end, as a flagship agency initiative in 2026, MOCJ partnered City University of New York's Institute for State and Local Governance to launch the NYC Justice Training Institute, a centralized resource for training and innovation. The NYC Justice Training Institute is expected to drive measurable outcomes across the City's justice system, including improved participant engagement and retention in programs; stronger collaboration across courts, jails, and community-based health and justice-service providers; and a greater adoption of evidence-informed, public health-centered approaches to safety.
- **Reentry Services:** MOCJ funds extensive wraparound reentry services throughout New York City—the Community Justice Reentry Network (CJRN)—which provides individuals returning to the city from state prisons, City jail, or other justice involvement with access to reentry services and resources to support their adjustment back into the community and reduce their likelihood of recidivism. CJRN services include discharge planning prior to release from jail or prison, transportation from jail and prison to non-profit service providers in New York City, and a range of supportive services in the community such as paid transitional employment and connections to permanent employment, job training, financial literacy, career certifications, mental health and substance use treatment, individual and group counseling, benefits assistance, mentoring, family reunification, and housing assistance. CJRN serves approximately 4,600 individuals each year.
- **Transitional Housing:** MOCJ's Emergency Transitional Housing (ETH) program is administered via non-profit partners who deliver immediate housing and related services to justice-involved participants who are homeless or at risk of homelessness. The program provides safety, stability, and opportunity to participants as they reenter communities and secure permanent housing. These efforts provide a model for how reentry services and housing can better serve our returning neighbors, giving them the resources to achieve successful long-term outcomes.
- **Alternative to Incarceration (ATI) Services:** ATI programs are diversion programs that are mandated by judges and provide holistic, supportive services in their communities instead of a jail or prison sentence. ATI programs reduce the court's reliance on incarceration, lower the jail population, increase public safety, and allow people to remain in their communities while increasing stability and well-being and reducing recidivism. In addition to supervision, ATI programs provide mental health and substance use treatment, counseling, job readiness and employment training, education assistance, benefits enrollment, case management. MOCJ funds a wide array of ATI programs administered by non-profit services providers throughout New York City that serve individuals with misdemeanor, non-violent felony, and violent felony cases. Since the beginning of MOCJ's ATI contracts in 2021, 84 percent of participants who enrolled in an ATI program were not rearrested for any new crime while participating in the program.
- **Supervised Release:** Supervised Release is the most utilized pretrial non-monetary condition of release in criminal court. In 2025, the program supported over 33,000 individuals with an open criminal case. The City launched an intensive case management pilot program designed to better serve those in community with the highest likelihood of re-offense and noncompliance with the program in Manhattan and Queens. MOCJ continues to evaluate Supervised Release and will be expanding the intensive case management pilot to Brooklyn in 2027.
- **The Office of Special Enforcement (OSE):** OSE is an innovative task force that addresses public safety and quality-of-life issues related to illegal and unregulated industries. The multi-agency team is currently comprised of legal, inspection, and investigation team members from MOCJ (which oversees OSE), the Law Department, the Department of Buildings, the Fire Department, and the Sheriffs'

Offices. The office's main focus is preserving New York City's housing stock, which has a vacancy rate of 1.4 percent. Since 2024, OSE implemented the Short-Term Rental Registration Law by prevailing in litigation, challenging the program and bringing industry leading booking platforms, resulting in the elimination of approximately 20,000 illegal listings. To date, OSE has processed over 8,900 applications for short-term rental registrations and oversees the ongoing compliance with City laws by the more than 3,200 active registered hosts. OSE's litigation practice has commenced dozens of actions against illegal short-term rental operators, securing nearly \$14.5 million in judgments and settlements and collecting nearly \$6.7 million since 2024. OSE also conducts illegal massage parlor inspections and has handled enforcement of an array of special projects, such as closing counterfeit product bazaars and overseeing programs to ensure compliance with health and consumer protections.

- **Office for the Prevention of Hate Crimes (OPHC):** The Office for the Prevention of Hate Crimes takes a holistic approach to preventing and responding to hate crimes, developing and coordinating community-driven strategies, and fostering healing for individuals and their communities. Through the Partners Against the Hate (P.A.T.H.) FORWARD Initiative, the city provides \$3 million in funding to over 50 community-based organizations representing the city's diversity to help combat hate and bias-motivated incidents. OPHC also coordinates city efforts through an Interagency Committee, which includes over 20 city agencies including the City Commission on Human Rights, NYPD, Mayor's Community Affairs Unit, Department of Education, Mayor's Office to End Domestic and Gender-Based Violence, Mayor's Office of Immigrant Affairs, and more. Together, these networks ensure a comprehensive and cohesive approach to preventing and responding to hate crimes. As outlined in Executive Order 15, the Office for the Prevention of Hate Crimes will fall under the direction of the Office of Community Safety and all associated funding will transfer to the Office of Community of Safety beginning in 2028.
- **Indigent Legal Services:** MOCJ is responsible for ensuring that the City meets its obligation to provide quality indigent criminal legal services. MOCJ manages the relationships and contracts with legal service organizations providing the constitutionally mandated services of trial-level and appellate legal representation to criminal defendants and certain Family Court respondents who cannot afford to pay for their own lawyers. As part of this responsibility, one of the units in MOCJ is the City's Assigned Counsel Plan, which provides supervisory and infrastructure support to court approved independent attorneys, compensated under Article 18-B of the New York State County Law, who are assigned if a conflict prevents a City-contracted legal service organization from taking the case.

POLICE DEPARTMENT

The mission of the New York City Police Department is to enhance the quality of life in New York City by working in partnership with the community to enforce the law, preserve peace, protect the people, reduce fear, and maintain order.

Financial Review

The New York City Police Department's 2027 Executive Budget provides for an operating budget of \$6.6 billion, a decrease of \$308.6 million from the \$6.9 billion forecast for 2026. This decrease is primarily attributed to annual state, federal, and private grant funding not yet recognized for 2027. Capital commitments of \$325.5 million are also provided in 2027.

Revenue Forecast

The Police Department collects revenue from fees charged for pistol licenses, rifle permits, fingerprint fees, tow fees, and unclaimed cash and property that is abandoned or confiscated as a consequence of the commission of a crime. The city also receives E-911

surcharges imposed on all New York City cellular telephones, landline telephones and voice over internet protocol service (VoIP). In addition, the Department is recouping traffic control costs from non-charitable athletic parades. In 2027, the revenue estimate for the Police Department is \$100.8 million.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- In 2027, the Department will have a uniform budgeted headcount of 35,370.
- The Department expects to receive up to \$30.9 million for the protection of foreign missions under the Federal Fiscal Year 2026 Appropriation Act.

Summary of Agency Financial Data

The following table compares 2027 Executive Budget with the 2027 Preliminary Budget, the 2026 forecast and actual expenditures for 2025, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2025 Actual	2026 Forecast	2027		2026	2027
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$6,121,348	\$5,978,717	\$6,037,621	\$5,941,209	(\$37,508)	(\$96,412)
Fringe Benefits	54,882	59,583	61,915	61,915	2,332	0
OTPS	693,960	856,652	597,740	583,220	(273,432)	(14,520)
Total	\$6,870,190	\$6,894,952	\$6,697,276	\$6,586,344	(\$308,608)	(\$110,932)
Funding						
City	\$6,267,557	\$6,367,587	\$6,380,750	\$6,282,296	(\$85,291)	(\$98,454)
Other Categorical Grants	32,476	16,697	—	—	(16,697)	—
IFA	—	—	—	—	—	—
State	56,958	65,736	1,229	1,229	(64,507)	—
Federal CD	—	—	—	—	—	—
Federal Other	257,274	157,244	18,799	19,744	(137,500)	945
Intra-City Other	255,925	287,688	296,498	283,075	(4,613)	(13,423)
Total	\$6,870,190	\$6,894,952	\$6,697,276	\$6,586,344	(\$308,608)	(\$110,932)
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$3,105,804	\$3,339,032	\$3,615,994	\$3,415,399	\$76,367	(\$200,595)
Pensions	2,730,246	2,776,015	2,745,140	2,607,966	(168,049)	(137,174)
Other Than Personal Service (OTPS)						
Debt Service	197,340	229,267	263,482	220,914	(8,353)	(42,568)
Total Additional Costs	\$6,033,390	\$6,344,314	\$6,624,616	\$6,244,279	(\$100,035)	(\$380,337)
Funding						
City	5,977,190	6,270,946	6,586,757	6,171,497	(99,449)	(415,260)
Non-City	56,200	73,368	37,859	72,782	(586)	34,923
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$6,121,348	\$5,978,717	\$6,037,621	\$5,941,209	(\$37,508)	(\$96,412)
Fringe Benefits	3,160,686	3,398,615	3,677,909	3,477,314	78,699	(200,595)
Pensions	2,730,246	2,776,015	2,745,140	2,607,966	(168,049)	(137,174)
Total PS	\$12,012,280	\$12,153,347	\$12,460,670	\$12,026,489	(\$126,858)	(\$434,181)
OTPS	\$693,960	\$856,652	\$597,740	\$583,220	(\$273,432)	(\$14,520)
Debt Service	197,340	229,267	263,482	220,914	(8,353)	(42,568)
Total OTPS	\$891,300	\$1,085,919	\$861,222	\$804,134	(\$281,785)	(\$57,088)
Total Agency Costs	\$12,903,580	\$13,239,266	\$13,321,892	\$12,830,623	(\$408,643)	(\$491,269)
Less Intra-City	255,925	287,688	296,498	283,075	(4,613)	(13,423)
Net Agency Cost	\$12,647,655	\$12,951,578	\$13,025,394	\$12,547,548	(\$404,030)	(\$477,846)
Funding						
City	12,244,747	12,638,533	12,967,507	12,453,793	(184,740)	(513,714)
Non-City	402,908	313,045	57,887	93,755	(219,290)	35,868
Personnel (includes FTEs at fiscal year-end)						
City	47,716	49,979	50,368	50,250	271	(118)
Non-City	191	132	12	12	(120)	—
Total	47,907	50,111	50,380	50,262	151	(118)

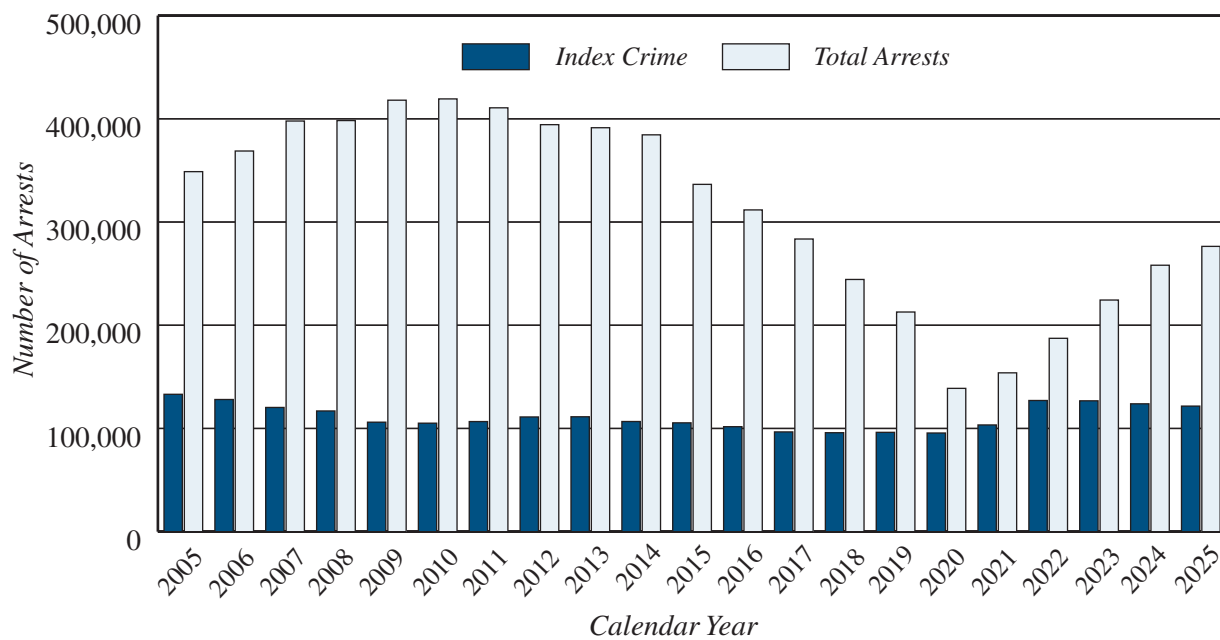
Programmatic Review and Service Impact

In calendar year 2025, the Department built upon its efforts to reduce crime through precision deployment strategies based on rigorous data analysis with consistent follow-up and reevaluation. This includes a focus on precision policing in hyper-local crime zones, sustained elevated officer deployment across high-priority subway stations and trains, and continued multi-agency partnerships with other city agencies to provide a holistic response to public safety concerns. The Department’s precision policing model led to an overall reduction in five of the seven major index crime categories, with 2,238 fewer incidents reported than in 2024. The Department’s strategy, which prioritizes reducing gun violence, led to 23.9 percent fewer shooting incidents and 21.9 percent fewer shooting victims when compared to 2024. The Department’s strategy also led to the continued reduction across all major theft categories: in 2025, there were 1,505 fewer robbery complaints, 272 fewer burglary complaints, 389 fewer complaints of Grand Larceny, and 676 fewer complaints of Grand Larceny Auto. Officers carrying out complex, street-level investigations removed 5,293 illegal firearms removed from City streets.

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Arrests totaled 276,404 in calendar year 2025, increasing by 18,262 from calendar year 2024. The overall arrest level increased by 7.1 percent from calendar year 2024. Felony arrests increased by 2.1 percent, misdemeanor arrests increased by 9.7 percent, and violation arrests increased by 78.9 percent. The distribution of arrests resulted in 40.3 percent felonies, 58.2 percent misdemeanors, and 1.4 percent violations.

ARRESTS VERSUS CRIME



Source: NYPD

The Department continues to refine its sophisticated analytical capabilities to create hyper-local geographical violence “Zones” – specific street segments, portions of neighborhoods, and specific blocks – where police personnel are most likely to deter crime. These zones allow for flexible, efficient, and effective deployments citywide, allowing the Department to adapt to shifting conditions throughout seasonal changes and crime spikes.

Every day, millions of people rely on New York City subways, and the Department has maintained an elevated presence to ensure the safety of riders. Supplemental patrols by non-transit personnel complement the dedicated transit officers to provide a noticeable and accessible police service. Within subways, officers are posted away from entrances and mezzanines, and on to the trains and platforms, where 78% of transit crime occurs. The Department works with state and local partners to help address the City’s dual mental health and homelessness crises that officers encounter in the subway system – prioritizing compassionate responses that connect those in need to services, where available and accepted.

Accomplishing the Department’s mission depends on the relationships officers create and foster with members of the public. Building community trust begins at the simplest level of interaction: through non-emergency complaints reported through the 311 system. In 2025, the Department launched the Quality of Life Division and precinct and police service area Quality of Life Teams to specifically address the increasing number of 311 complaints and engage with the public. These “Q-Teams” attend various community meetings, address chronic quality-of-life violations, and conduct follow-up to ensure resolutions are effective and lasting.

The success of personnel in the field is aided by the Department’s commitment to embracing technology responsibly. In 2025, the Department pursued upgrades to its existing systems that improved real-time data

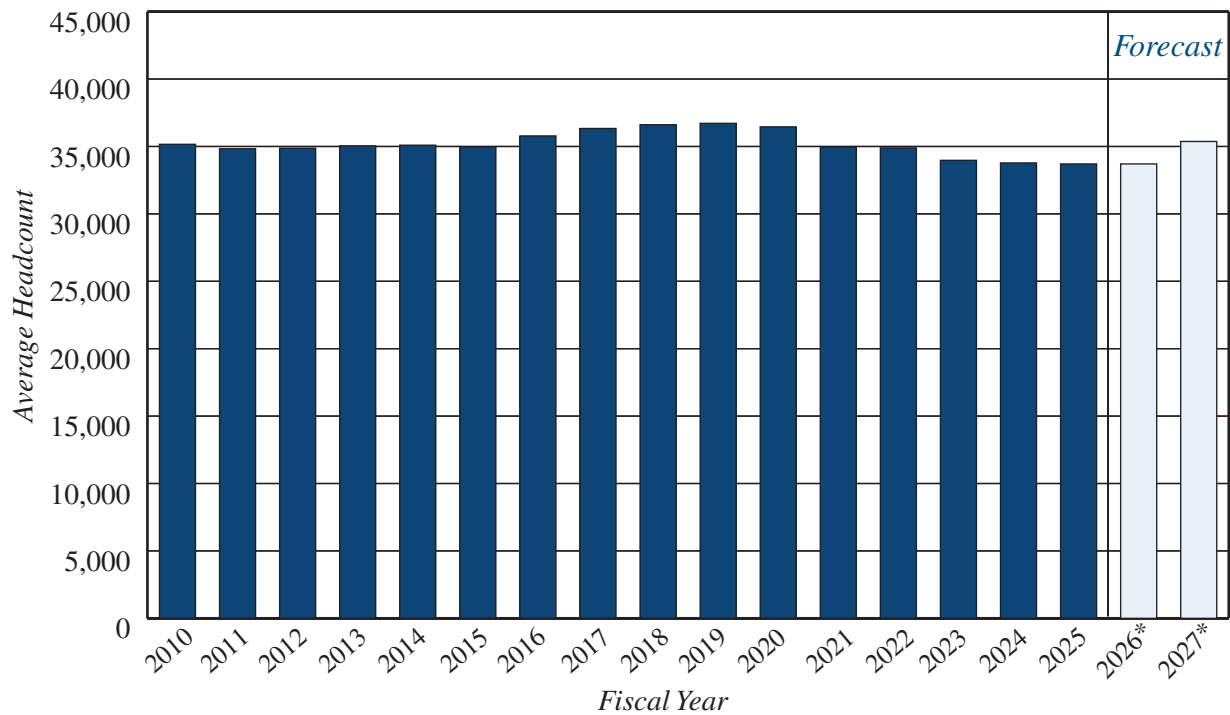
analysis and visualization. Other areas of technological advancement include the adoption of an improved conducted electrical weapon to effectively apprehend suspects using less lethal methods and the expansion of the Department’s drone fleet. Through its drone program, the Department has been able to monitor and respond to subway surfing incidents, violent crimes, and precarious situations that require a rapidly achievable strategic viewpoint.

The NYPD’s enforcement of traffic laws and education to the public regarding traffic safety plays a vital role in public safety. The Department collaborates with the City’s Department of Transportation to reduce traffic fatalities and improve the safety of pedestrians, bicyclists, and motorists. In calendar year 2025, officers issued 95,811 summonses for speeding, 55,960 summonses for using a handheld electronic device while operating a motor vehicle, and 42,444 summonses for failing to yield the right of way to a pedestrian or bicyclist.

Uniformed Headcount

The Department continues its efforts in recruiting and hiring a diverse pool of candidates to serve as police officers. Of the 1,200 recruits hired for the December 2025 class, 78.8 percent identified as minorities. Two hundred seventy-nine recruits were born in foreign countries and 591 speak a second language. The August 2025 recruit class consisted of 1,093 recruits, 73.7 percent of whom identified as minorities. Two hundred sixty-eight were born in foreign countries and 510 speak a second language. The April 2025 recruit class consisted of 772 recruits, 78.0 percent of whom identified as minorities. Two hundred and five were born in foreign countries, and 356 speak a second language. The January 2025 recruit class consisted of 1,045 recruits, 80.5 percent of whom identified as minorities. Two hundred seventy-nine were born in foreign countries, and 477 speak a second language.

TOTAL CITY, TRANSIT AND HOUSING POLICE FORCE HEADCOUNT



* 2026 data is from NYPD and 2027 data is budgeted headcount.

Source: NYC OMB & NYPD

Capital Review

The Four-Year Capital Plan for the Police Department provides the Department with a total of \$479.4 million for the replacement, reconstruction, and maintenance of facilities citywide; replacement of computers, communication, and miscellaneous equipment; and the replacement of transportation equipment.

The table below shows capital plan commitments by program area over the FY2027-2030 period.

**Capital Commitments
(\$ in 000's)**

	2025 Actual		2026 Plan		2027 Plan		2028 Plan		2029 Plan		2030 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Police Facilities	\$87,792	\$87,743	\$80,626	\$109,962	\$157,144	\$157,144	\$108,784	\$108,784	\$16,420	\$16,420	\$25,391	\$25,391
Computer Equipment	15,026	15,026	177,430	177,430	37,773	37,773	0	0	0	0	0	0
Communications	51,233	51,233	72,673	72,673	16,157	16,157	0	0	0	0	0	0
Equipment	1,941	1,941	9,395	9,395	8,205	8,205	1,843	1,843	34	34	895	895
Vehicles	15,674	15,674	62,971	63,459	106,193	106,193	264	264	0	0	376	376
Total.....	\$171,666	\$171,617	\$403,095	\$432,919	\$325,472	\$325,472	\$110,891	\$110,891	\$16,454	\$16,454	\$26,662	\$26,662

Highlights of the 2027-2030 Four Year Capital Commitment Plan*Police Facilities (total commitment, \$307.7 million)*

- Construction of the Rodman's Neck Firearms Training Facility (\$145 million).
- American with Disabilities Act (ADA) compliance renovations at various NYPD precincts, Citywide (\$29.7 million).
- Renovation of the 137 Centre Street office space (\$18.5 million).
- Facility maintenance and reconstruction Departmentwide (\$114.5 million).

Vehicles (total commitment, \$106.8 million)

- Lifecycle replacement of marked radio motor patrol vehicles (\$41.9M).
- Lifecycle replacement of unmarked radio motor patrol vehicles (\$40.7 million).
- Lifecycle replacement of all other vehicles (\$24.2 million).

Communications and Computer Equipment (total commitment, \$53.9 million)

- Replacement of the parking ticket device system (\$21.6 million).
- Replacement of mobile radios (\$10.1 million).
- Replacement and upgrade of various Department technologies and equipment (\$22.2 million).

Miscellaneous Equipment (total commitment, \$11 million)

- Purchase and upgrade of miscellaneous equipment such as facility security camera upgrades and diesel marine engines (\$11 million).

DEPARTMENT OF CORRECTION

The Department of Correction provides a safe and secure environment to people 18 years of age and older who are awaiting trial, sentencing, or transfer to another facility, individuals awaiting parole revocation hearings, and individuals sentenced to one year or less. Dedicated uniformed and nonuniformed staff provide individuals in the Department's care with access to essential services and programming to support them during an often-challenging period in their lives, so that they can stay connected to their loved ones and successfully reintegrate into their communities upon release.

Financial Review

The Department of Correction's 2027 Executive Budget provides for operating expenses of \$1.26 billion, a decrease of \$121.4 million from the amount forecast in 2026. This decrease is primarily attributed to spending re-estimates and savings included in the 2027 forecast. Capital commitments of \$4.2 billion are also planned in 2027.

Revenue Forecast

The Department of Correction collects revenue, which goes into the general fund, from jail commissary operations and vending machines. In 2027, the Department expects to collect approximately \$11.8 million from all revenue sources.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- The Department received one time funding of \$23.7 million for products for cell door improvements.
- The Department received baseline funding of \$800 thousand for products for people in custody.
- The Department received \$3.5 million for IT system improvements.
- The Department received one time funding of \$2.8 million for Rikers Island maintenance.

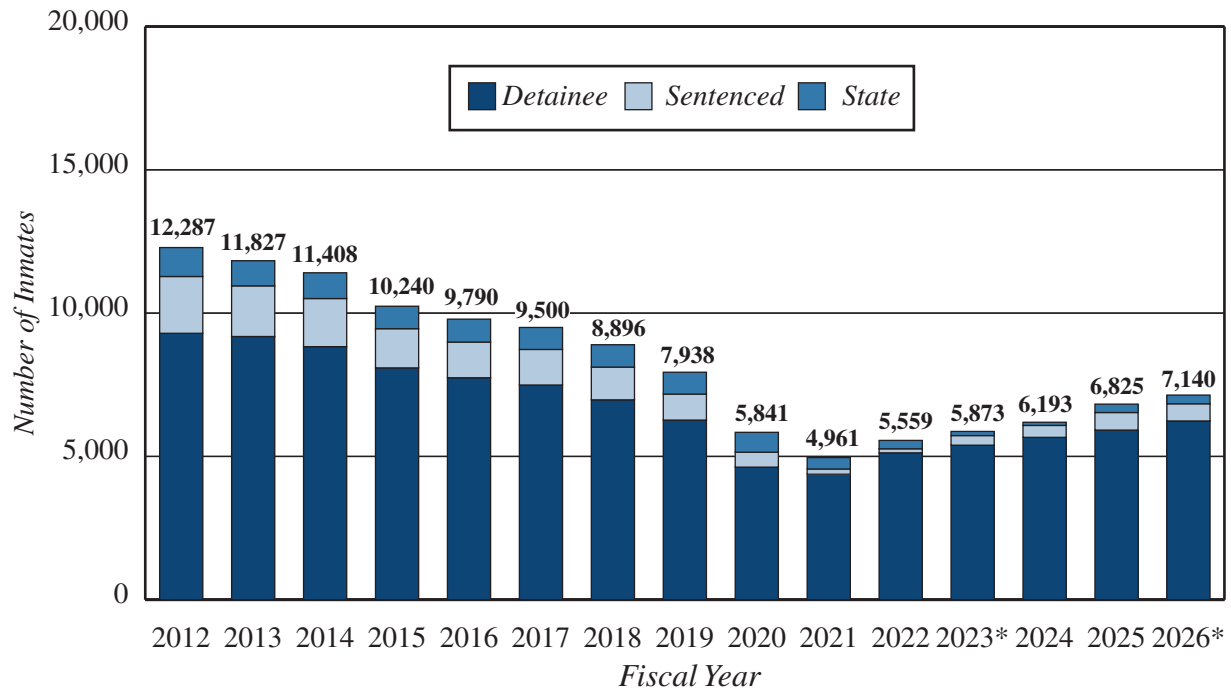
Summary of Agency Financial Data

The following table compares 2027 Executive Budget with the 2027 Preliminary Budget, the 2026 forecast and actual expenditures for 2025, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2025 Actual	2026 Forecast	2027		2026	2027
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$1,160,703	\$1,172,239	\$1,041,428	\$1,004,512	(\$167,727)	(\$36,916)
Fringe Benefits	18,220	17,325	24,863	24,863	7,538	0
OTPS	177,324	190,879	197,394	229,624	38,745	32,230
Total	\$1,356,247	\$1,380,443	\$1,263,685	\$1,258,999	(\$121,444)	(\$4,686)
Funding						
City	\$1,344,071	\$1,375,918	\$1,261,195	\$1,256,500	(\$119,418)	(\$4,695)
Other Categorical Grants	94	836	—	—	(836)	—
IFA	—	—	—	—	—	—
State	9,038	1,157	1,079	1,079	(78)	—
Federal CD	—	—	—	—	—	—
Federal Other	2,813	2,089	1,330	1,339	(750)	9
Intra-City Other	231	443	81	81	(362)	—
Total	\$1,356,247	\$1,380,443	\$1,263,685	\$1,258,999	(\$121,444)	(\$4,686)
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$828,100	\$967,178	\$1,046,645	\$1,001,360	\$34,182	(\$45,285)
Pensions	511,570	512,483	519,783	504,520	(7,963)	(15,263)
Other Than Personal Service (OTPS)						
Debt Service	146,066	158,236	181,851	193,736	35,500	11,885
Total Additional Costs	\$1,485,736	\$1,637,897	\$1,748,279	\$1,699,616	\$61,719	(\$48,663)
Funding						
City	1,480,860	1,624,740	1,742,418	1,685,354	60,614	(57,064)
Non-City	4,876	13,157	5,861	14,262	1,105	8,401
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$1,160,703	\$1,172,239	\$1,041,428	\$1,004,512	(\$167,727)	(\$36,916)
Fringe Benefits	846,320	984,503	1,071,508	1,026,223	41,720	(45,285)
Pensions	511,570	512,483	519,783	504,520	(7,963)	(15,263)
Total PS	\$2,518,593	\$2,669,225	\$2,632,719	\$2,535,255	(\$133,970)	(\$97,464)
OTPS	\$177,324	\$190,879	\$197,394	\$229,624	\$38,745	\$32,230
Debt Service	146,066	158,236	181,851	193,736	35,500	11,885
Total OTPS	\$323,390	\$349,115	\$379,245	\$423,360	\$74,245	\$44,115
Total Agency Costs	\$2,841,983	\$3,018,340	\$3,011,964	\$2,958,615	(\$59,725)	(\$53,349)
Less Intra-City	231	443	81	81	(362)	—
Net Agency Cost	\$2,841,752	\$3,017,897	\$3,011,883	\$2,958,534	(\$59,363)	(\$53,349)
Funding						
City	2,824,931	3,000,658	3,003,613	2,941,854	(58,804)	(61,759)
Non-City	16,821	17,239	8,270	16,680	(559)	8,410
Personnel (includes FTEs at fiscal year-end)						
City	7,354	8,497	8,881	8,307	(190)	(574)
Non-City	4	10	7	7	(3)	—
Total	7,358	8,507	8,888	8,314	(193)	(574)

Programmatic Review

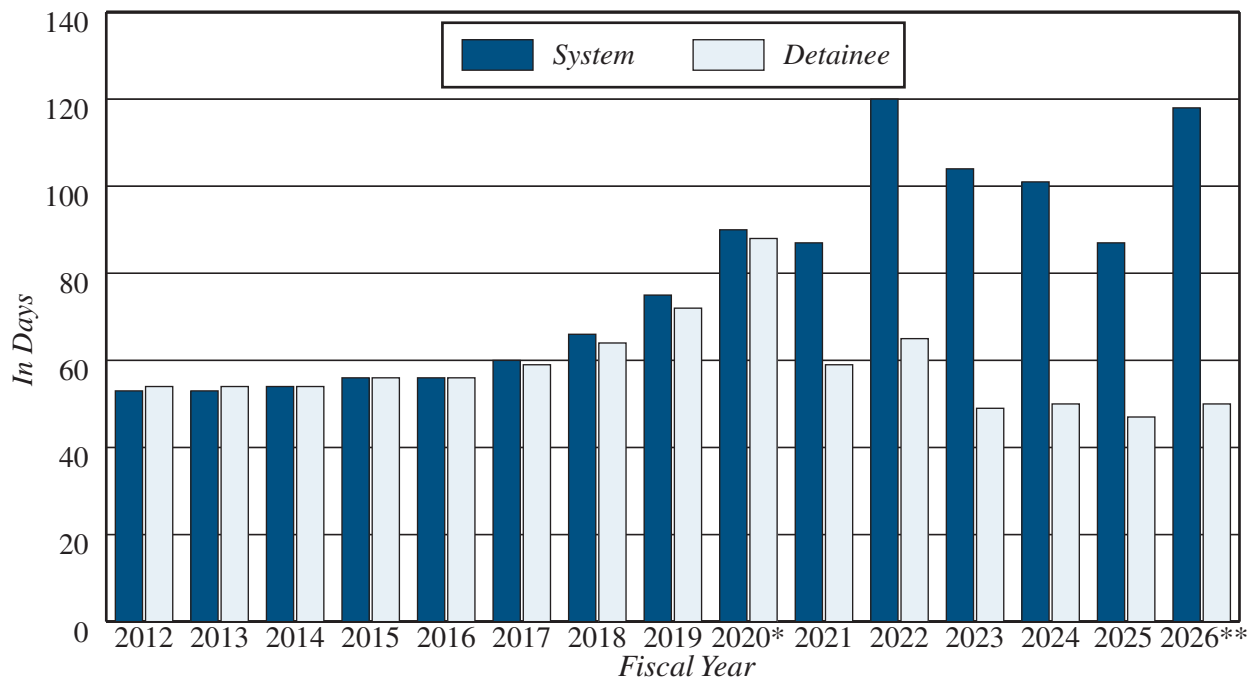
AVERAGE DAILY INMATE POPULATION



*YTD through March 31, 2026

Source: NYC Department of Correction

AVERAGE LENGTH OF STAY (By Fiscal Year)



* Beginning with April 2020's data, the Department changed the way it computed the System and Detainee LOS figures. Detainees now only reflect those that come in and leave as detainees. System LOS, which had been based upon that month's admissions and total ADP, is now based on actual discharges during the month

** YTD through March 31, 2026

Source: NYC Department of Correction

The average daily population through the first nine months of 2026 was 7,140, which is 8 percent higher than the same period in 2025. System admissions are up 1 percent and overall system length of stay for the first nine months increased from 87 to 118 days.

Capital Review

The 2027-2030 Four-Year Capital Strategy totals \$9.5 billion for the design and construction of new jail facilities, for support space, for building systems and infrastructure, and for the lifecycle replacement of equipment.

The table below shows capital plan commitments by program area over the 2027-2030 period.

**Capital Commitments
(\$ in 000's)**

	2025 Actual		2026 Plan		2027 Plan		2028 Plan		2029 Plan		2030 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
New Jail Facilities.....	\$2,487,809	\$2,487,809	\$2,147,029	\$2,147,029	\$4,049,663	\$4,049,663	\$2,941,411	\$2,941,411	\$1,692,221	\$1,692,221	\$639,088	\$639,088
Capacity Replacement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Support Space	-\$2,539	-\$2,539	\$0	\$0	\$0	\$247	\$1,016	\$1,016	\$0	\$0	\$0	\$0
Building Systems and Infrastructure.....	\$33,310	\$33,310	\$2,240	\$2,240	\$54,152	\$87,246	\$1,000	\$1,000	\$1,329	\$1,329	\$0	\$0
Equipment.....	\$9,954	\$9,954	\$108,404	\$108,404	\$41,217	\$41,217	\$25,171	\$25,171	\$21,702	\$21,702	\$17,621	\$17,621
Total	<u>\$2,528,534</u>	<u>\$2,528,534</u>	<u>\$2,257,673</u>	<u>\$2,257,673</u>	<u>\$4,145,032</u>	<u>\$4,178,373</u>	<u>\$2,968,598</u>	<u>\$2,968,598</u>	<u>\$1,715,252</u>	<u>\$1,715,252</u>	<u>\$656,709</u>	<u>\$656,709</u>

Highlights of the 2026-2029 Four Year Capital Commitment Plan

New Jail Facilities (total commitment, \$9.3 billion)

The Department’s plan includes \$9.3 billion for the design and construction of new jail facilities.

- Various information technology, and security upgrades (\$79.3 million).
- Vehicle replacement (\$25.2 million).

Building Systems, Infrastructure and Support Space (total commitment, \$90.8 million)

The Department will undertake \$90.8 million in improvements to building systems, infrastructure and support space during the Four-Year Plan. Projects include:

- Reconstruction of the Rikers Island steam tunnel (\$26.5 million).
- Water treatment for the Rikers Island powerhouse (\$13.3 million).

The 2027 Plan for the Department totals \$4.20 billion, and highlights include:

- Design and construction of the new jail facilities (\$4.05 million).
- Improvements to building systems, infrastructure and support space (\$87.25 million)
- Purchase of equipment such as vehicles, security, computer, and communication equipment (\$41.2 million).

Information Technology, Equipment, and Vehicles (total commitment, \$105.7 million)

The Four-Year Plan provides \$105.7 million for vehicles, computers, security equipment and communication systems. Priorities include:

DEPARTMENT OF SOCIAL SERVICES / HUMAN RESOURCES ADMINISTRATION

The Department of Social Services / Human Resources Administration (“DSS” or “HRA”) provides a range of services and programs to fight poverty, inequality and homelessness and to increase the economic well-being of families and individuals throughout New York City.

DSS is an integrated management structure that encompasses the Human Resources Administration (HRA) and the Department of Homeless Services (DHS) reporting to a single Commissioner for Social Services. Administrative support services have been streamlined in a shared services model, including finance, human resources, contracting and information technology under the Department of Social Services (DSS), while HRA provides a spectrum of client facing benefits and service programs to assist approximately three million New Yorkers every year.

The Human Resources Administration administers federal and New York State benefit programs including Cash Assistance (CA), Emergency Assistance, Supplemental Nutrition Assistance (SNAP), Medical Assistance, and the Low-Income Home Energy Assistance Program (LIHEAP) to support New Yorkers in need. The Agency also provides child support services and assists individuals returning to or entering the workforce by providing a variety of employment-related services, including access to education and job training, childcare and assistance with job search and placement. In addition, HRA provides services and support to prevent and alleviate homelessness, including one-time emergency rent arrears grants, ongoing rental assistance and supportive housing models, as well as community-based homelessness prevention services and legal services to prevent displacement and eviction, and to address immigration-related issues. Programs for survivors of domestic violence, people with HIV or AIDS, the frail and elderly, and individuals with disabilities provide a safety net for those permanently or temporarily unable to work. HRA also administers Fair Fares, a program that provides discounted public transit benefits for low-income New Yorkers and IDNYC, a municipal identification card that covers over 1.8 million New Yorkers. Additionally, HRA provides financial assistance to low-income residents to meet funeral expenses for deceased family members.

Financial Review

The Department’s 2027 Executive Budget provides for operating expenses of \$14.6 billion, of which \$11.8 billion are City funds. In addition, the Department’s capital budget for 2027 through 2030 totals \$334.6 million, of which \$225.1 million are City funds.

- An additional \$40 million in total funds and \$28.5 million City funds are added in 2028 and the baseline for anti-eviction legal services.
- An additional \$32.9 million in City funds are added in 2027 and the baseline for immigration legal services, more than doubling baselined funding.

Expense Budget Highlights

Program Enhancements

- An additional \$2.14 billion in total funds and \$1.75 billion in City funds are added in 2027 and growing in the baseline to fund programmatic shortfalls in the Department’s CityFHEPS and cash assistance programs.
- An additional \$53.60 million in City funds are added in 2027 and the baseline for the Community Food Connection program, more than tripling baselined funding.

Summary of Agency Financial Data

The following table compares 2027 Executive Budget with the 2027 Preliminary Budget, the 2026 forecast and actual expenditures for 2025, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2025 Actual	2026 Forecast	2027		2026	2027
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$877,321	\$984,494	\$982,286	\$1,017,856	\$33,362	\$35,570
Fringe Benefits	557	913	913	913	—	(0)
Medical Assistance	6,376,128	6,762,053	6,789,753	6,789,753	27,700	—
Public Assistance	2,646,430	2,762,408	2,746,422	2,707,869	(54,539)	(38,553)
Other OTPS	3,266,917	4,180,344	4,108,954	4,082,695	(97,649)	(26,259)
Total	\$13,167,353	\$14,690,212	\$14,628,328	\$14,599,086	(\$91,126)	(\$29,242)
Funding						
City	\$10,331,891	\$11,795,047	\$11,900,226	\$11,833,358	\$38,311	(\$66,868)
Other Categorical Grants ..	88	—	—	—	—	—
IFA	—	—	—	—	—	—
State	1,090,595	1,156,822	1,065,372	1,072,667	(84,155)	7,295
Federal CD	3,246	3,246	3,246	3,246	—	—
Federal Other	1,734,071	1,730,204	1,654,895	1,686,933	(43,271)	32,038
Intra-City Other	7,462	4,893	4,589	2,882	(2,011)	(1,707)
Total	\$13,167,353	\$14,690,212	\$14,628,328	\$14,599,086	(\$91,126)	(\$29,242)
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$436,873	\$491,229	\$532,100	\$503,785	\$12,556	(\$28,315)
Pensions	165,401	145,711	164,959	133,942	(11,769)	(31,017)
Other Than Personal Service (OTPS)						
Debt Service	81,163	85,428	98,177	72,348	(13,080)	(25,829)
Total Additional Costs ...	\$683,437	\$722,368	\$795,236	\$710,075	(\$12,293)	(\$85,161)
Funding						
City	507,950	556,038	627,857	545,305	(10,733)	(82,552)
Non-City	175,487	166,330	167,379	164,770	(1,560)	(2,609)
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$877,321	\$984,494	\$982,286	\$1,017,856	\$33,362	\$35,570
Fringe Benefits	437,430	492,142	533,013	504,698	12,556	(28,315)
Pensions	165,401	145,711	164,959	133,942	(11,769)	(31,017)
Total PS	\$1,480,152	\$1,622,347	\$1,680,258	\$1,656,496	\$34,149	(\$23,762)
Medical Assistance	\$6,376,128	\$6,762,053	\$6,789,753	\$6,789,753	\$27,700	\$—
Public Assistance	2,646,430	2,762,408	2,746,422	2,707,869	(54,539)	(38,553)
Other OTPS	3,266,917	4,180,344	4,108,954	4,082,695	(97,649)	(26,259)
Debt Service	81,163	85,428	98,177	72,348	(13,080)	(25,829)
Total OTPS	\$12,370,638	\$13,790,233	\$13,743,306	\$13,652,665	(\$137,568)	(\$90,641)
Total Agency Costs	\$13,850,790	\$15,412,580	\$15,423,564	\$15,309,161	(\$103,419)	(\$114,403)
Less Intra-City	7,462	4,893	4,589	2,882	(2,011)	(1,707)
Net Agency Cost	\$13,843,328	\$15,407,687	\$15,418,975	\$15,306,279	(\$101,408)	(\$112,696)
Funding						
City	10,839,841	12,351,085	12,528,083	12,378,663	27,578	(149,420)
Non-City	3,003,487	3,056,602	2,890,892	2,927,616	(128,986)	36,724
Personnel (includes FTEs at fiscal year-end)						
City	9,147	9,842	9,901	9,842	—	(59)
Non-City	1,703	2,611	2,609	2,609	(2)	—
Total	10,850	12,453	12,510	12,451	(2)	(59)

Programmatic Review and Service Impact

Family Independence Administration (FIA)

The Family Independence Administration (FIA) administers Cash Assistance (CA) and the Supplemental Nutrition Assistance Program (SNAP). FIA refers CA recipients as well as SNAP recipients identified as able-bodied adults without dependents (ABAWD) to HRA Career Services to assist in obtaining employment and access to education and training. FIA provides support services including enrollment in childcare and carfare for working families; and makes one-time grants for

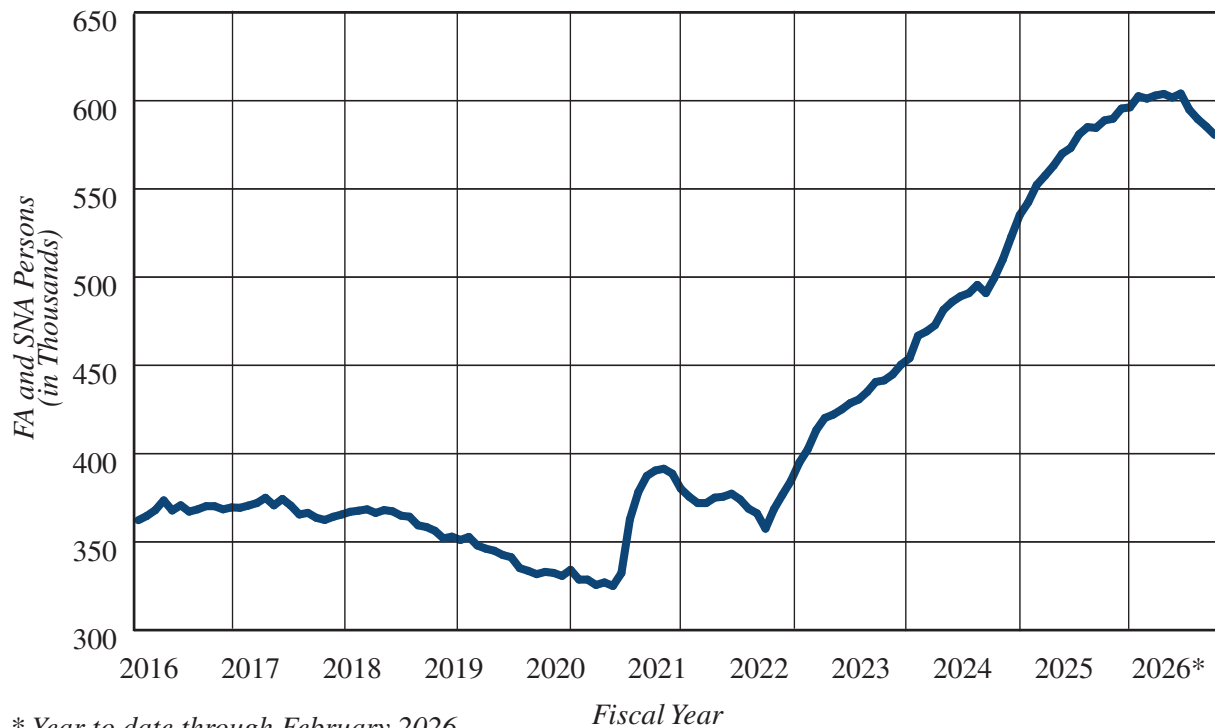
emergencies, including rent and utility arrears, broker fees, storage fees, furniture allowances, and moving expenses.

Cash Assistance (CA)

The Department projects expenditures of \$2.7 billion on Cash Assistance (CA) benefits in 2027, of which \$1.5 billion will be City funds.

In 2026, the CA caseload decreased slightly over the course of the fiscal year with approximately 583,000 individuals in receipt of CA benefits in March 2026.

CASH ASSISTANCE CASELOAD 2016 - 2026



* Year to date through February 2026

Fiscal Year

Source: HRA Monthly Fact Sheets

The Family Assistance (FA) program, which is funded with federal Temporary Assistance for Needy Families (TANF) funds and a fifteen percent contribution by the City, assisted approximately 148,000 adults and children in March 2026. Projected FA expenditures in 2026 are \$690.5 million, of which 103.6 million are City funds.

The Safety Net Assistance (SNA) program, which is supported with City (71 percent) and State (29 percent) funds, serves families who have reached the five-year time limit for federal Temporary Assistance for Needy Families (TANF) funded benefits or who do not otherwise meet federal eligibility rules; single adults; and childless couples. In March 2026, approximately 435,000 individuals received SNA, of whom approximately 136,000 were adults and children who had reached the TANF time limit. In 2026, the Department projects spending \$2.07 billion on Safety Net Assistance, of which \$1.47 billion are City funds.

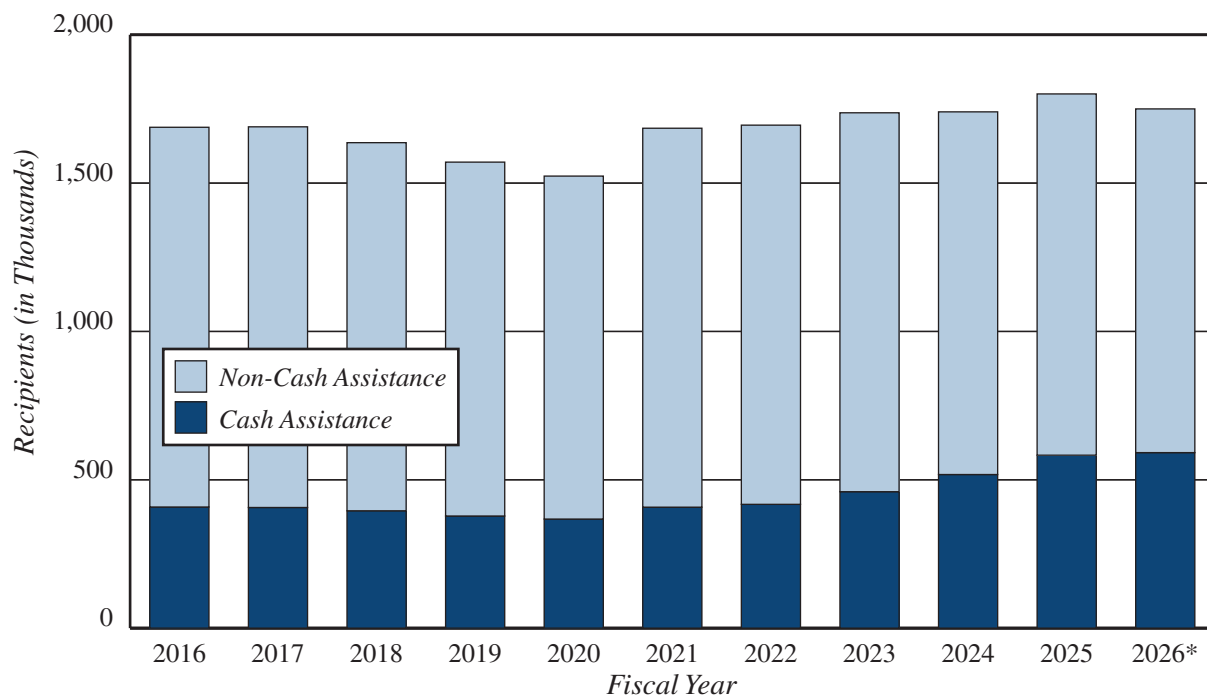
Supplemental Nutrition Assistance Program (SNAP)

The Supplemental Nutrition Assistance Program (SNAP) is a federally funded benefit intended to supplement food costs for low-income families and individuals. The Department administers the SNAP program on behalf of New York State. In calendar year 2025, approximately \$5.0 billion in SNAP benefits were provided to an average of 1.8 million individuals per month, including more than 543,000 children.

ACCESS HRA

To ensure that all eligible New Yorkers can access Cash Assistance, SNAP, and other benefits the Department’s on-line portal, ACCESS HRA (AHRA) and an on-demand call system allow individuals to apply and recertify for CA and SNAP in an efficient and accessible way without requiring them to go into an office. Through February 2026, 93% of CA applications and 86% of SNAP applications were submitted online in Fiscal Year 2026.

AVERAGE NUMBER OF SNAP RECIPIENTS 2016 - 2026



* Year to date through February 2026

Source: HRA Monthly Fact Sheets & OTDA Monthly Caseload Statistics – SNAP Table

Career Services

HRA offers a wide array of employment programs and services to help families and individuals improve their economic prospects. Services include basic education, training, job search, placement, and retention services, and targeted services for those with barriers to employment.

The Pathways for Access to Careers and Employment (PACE) program launched on October 1, 2025, marking a shift in the City's career services strategy for Cash Assistance (CA) and SNAP-mandated clients by consolidating predecessor programs into a centralized "One Door" model. PACE provides a holistic, individualized model designed to transition clients toward permanent self-sufficiency.

Homelessness Prevention, Legal Services and Rehousing Services

The Homeless Prevention Administration (HPA) administers and coordinates homelessness prevention, civil justice legal services, and rental arrears services for HRA. HPA works to prevent the entry of families and individuals into shelter through the provision of diversion and prevention services across the City. In addition, HPA conducts targeted outreach to families and individuals identified by the Housing Court as potentially needing legal assistance.

HPA manages the Homebase homelessness prevention services contracts, which offer community-based aftercare and other services in addition to homelessness prevention services. Enhanced prevention efforts and a "prevention first" model are intended to help families and individuals avoid the trauma of homelessness.

With the implementation of the City's Universal Access law by the Department's Office of Civil Justice (OCJ), eligible tenants facing eviction in New York City Housing Court and NYCHA termination of tenancy proceedings have access to free legal counsel. Legal services have proven effective at reducing unlawful evictions and preventing displacement. Overall, HRA's legal services anti-eviction and prevention programs have resulted in more than 906,000 New Yorkers receiving free legal supports. OCJ issued new contracts beginning in Fiscal Year 2025 that expand the provider network in the Bronx and Queens to meet identified needs.

This prevention first strategy streamlines and focuses already successful initiatives recognizing the many benefits of keeping New Yorkers stably housed and in their communities. These proven models represent a comprehensive set of tools aimed at achieving better outcomes for those who are most at risk of eviction and homelessness in New York City.

The Housing Services Administration (HSA) manages HRA's rental assistance programs, designed to prevent shelter entry and to re-house families and individuals residing in DHS shelters and HRA domestic violence facilities. HRA's rental assistance programs include the City Fighting Homelessness and Eviction Prevention Supplement (CityFHEPS) and the State and City funded FHEPS A and FHEPS B programs. In addition, HRA operates specialized Affordable Housing Service contracts and provides access to - and funding for - supportive housing. Through these programs, HRA helps families with children and adults without children, including working people, survivors of domestic violence and seniors, avoid entry into or move out of shelter. HSA also assists HRA domestic violence shelter providers and DHS and its network of shelter providers to facilitate moves from shelter to permanent housing, including making client eligibility determinations, matching clients with appropriate housing and interfacing with landlords and management companies that provide apartments to households eligible for rental assistance.

Office of Child Support Services (OCSS)

The Office of Child Support Services (OCSS) puts children first by helping both parents provide for the economic and social well-being of their children. OCSS provides a range of services including locating noncustodial parents, establishing paternity, establishing and modifying child support and medical orders, and collecting and distributing child support payments. Custodial parents receiving Cash Assistance are required to comply with OCSS pursuant to Federal and New York State statutes. All other custodial parents may apply for OCSS services on a voluntary basis. In Fiscal Year 2025, there were approximately 181,000 cases with active support orders and support collections totaling \$666.4 million.

Medical Assistance Program (MAP)

The Medicaid public health insurance program provides access to a wide range of services including primary care, hospital inpatient, emergency room, physician, pharmacy, clinic, nursing home, personal care, mental health services, dental, rehabilitation, transportation, and vision care. Over 1.5 million New York City residents received Medicaid through HRA as of February 2026, with the Medical Assistance Program (MAP) responsible for more than 569,700 Medicaid-Only (non-CA) enrollees. Another approximately 2.3 million New Yorkers were enrolled in Medicaid through the New York State Health Exchange. With the development of the Exchange under the Affordable Care Act (ACA), most non-CA and non-SSI Medicaid eligible New Yorkers apply through the Exchange, resulting in a decline in the HRA-administered Medicaid caseload of approximately 52 percent since January 2014. HRA also provides Certified Application Counselor (CAC) services in HRA locations to assist individuals with applications for Medicaid facilitated through the State Exchange.

Home Care Services Program (HCSP)

The Department's Home Care Services Program (HCSP) assists individuals who are frail, elderly and/or have disabilities to remain safely in their homes with non-institutional alternatives to nursing home care. In 2025, HCSP delivered personal care services to an average of 6,600 personal care cases and provided Medicaid financial eligibility review to approximately 299,300 participants in the State's Managed Long Term Care Program (MLTC), a program that also transitioned to NYS as part of the ACA changes.

HCSP reviews and authorizes service plans for participants in the Long-Term Home Health Care Program (LTHHCP), as well as for children in the Care-at-Home Waiver Program. HCSP personal care services are also provided to participants in special federal waiver programs, including Traumatic Brain Injury, Home and Community-Based Services, and the Nursing Home Transition and Diversion waivers; and to Office of Mental Retardation and Developmental Delays (OMRDD) participants.

Customized Assistance Services (CAS)

Customized Assistance Services (CAS) provides clinically oriented services in the areas of health, mental health, substance use treatment and rehabilitation for

clients served by the Department's programs. CAS programs provide comprehensive and individualized services to help individuals with medical or mental health conditions achieve their maximum degree of self-reliance.

The Wellness, Comprehensive Assessment, Rehabilitation and Employment (WeCARE) program works with Cash Assistance recipients who have medical or mental health conditions that pose barriers to employment, providing integrated services that include assessment, diagnosis, comprehensive service and wellness planning, linkages to treatment, case management, disability benefits assistance, and vocational rehabilitation, training and education, and job placement.

CAS provides assessments, referrals and monitoring of treatment provided to CA clients by outside substance use providers and oversees clients enrolled in residential and non-residential treatment. CAS oversees the Office of Reasonable Accommodations (ORA), which reviews and makes determinations on Reasonable Accommodation Requests (RAR) submitted by clients with disabilities; and the Disability Service Program, which files federal disability benefit applications, pursues administrative appeals on denied claims, and performs eligibility determinations for Medicaid Aged, Blind and Disabled clients.

Health Services Office (HSO)

The DSS Health Services Office (HSO) takes a rigorous data-driven and evidence-based approach to improving the health and well-being of New Yorkers experiencing homelessness or receiving HRA benefits, by monitoring health trends, implementing interventions to decrease morbidity and mortality, and managing programs to improve health stability to support independent living and successful permanent housing. The DSS Health Services Office is comprised of the following program areas: Overdose Prevention and Harm Reduction, Complex Care, Institutional Referral, Clinical Consultation, Food and Nutrition, Infectious Disease Control, Visiting Psychiatry Services (VPS), Research, Data Analytics and Evaluation, Public Health and Clinical Interventions, and Citywide Health Insurance Access (OCHIA).

HIV/AIDS Services Administration (HASA)

The HIV/AIDS Services Administration (HASA) provides comprehensive services to individuals and families with HIV and AIDS. HASA clients receive case management, assessments and referrals, housing, and homemaking services. As of March 2026, HASA serves over 35,000 individuals. Over 22,000 HASA households receive ongoing rental assistance to facilitate and maintain housing stability, typically in private market apartments. HASA also provides emergency housing placements in supportive transitional facilities and single room occupancy (SRO) units for clients experiencing homelessness. Non-emergency supportive housing is provided in congregate facilities and scattered site apartments. These programs are operated by community-based organizations that provide case management and support services. In March 2026, HASA supported over 1,900 units in its emergency housing portfolio and over 4,500 units in its non-emergency supportive housing program.

Adult Protective Services (APS)

The Department's Adult Protective Services (APS) program assists adults with mental and/or physical disabilities who are unable to care for or protect themselves from abuse, neglect, or exploitation, and who have no one willing and able to responsibly assist them. Services include referrals for psychiatric and medical examinations, assistance in obtaining and recertifying for benefits and entitlements, eviction prevention and financial management. APS also petitions the State Supreme Court for community guardians to manage financial and domestic issues for clients who lack capacity to manage their own affairs.

In Fiscal Year 2025, APS received 33,000 referrals and had an average of 5,700 individuals on the assessment caseload each month.

Domestic Violence Services (DVS)

Domestic Violence Services (DVS) provides emergency shelter and social services to survivors of domestic violence. DVS administers State-licensed emergency domestic violence shelters, as well as transitional Tier II shelters. Emergency shelters have a total capacity of 2,290 beds for survivors of domestic violence and their children. DVS's Tier II shelters include 628 family units for clients who require additional services before transitioning back to the community.

Approximately 1,300 households are served by the domestic violence shelters every day. Shelters provide safe environments and a range of additional domestic violence support services including counseling, advocacy, and referrals. In addition, nine community-based non-residential programs provide information, counseling, advocacy, legal services, and referrals to other supportive services to help domestic violence survivors navigate the challenges of living in their own communities.

Low Income Home Energy Assistance Program (LIHEAP) and Other Utility Assistance Programs

The Low-Income Home Energy Assistance Program (LIHEAP) is a federally funded program that assists low-income homeowners and renters to pay for heating and cooling costs and heating equipment repair bills. LIHEAP serves approximately 983,000 households annually during the heating season, which runs from October to March of each year. Most benefits are provided to CA, SNAP, and SSI recipients who receive automatic payments. LIHEAP also provides emergency benefits for assistance with gas and other heat-related utility bills and shut-offs, helps obtain service extensions, and pays for emergency oil deliveries, furnace repairs and replacements, and cooling equipment and installation to other income-eligible households through an application process.

Additional programs include Heat-Line, which offers LIHEAP applications and other public benefits to the homebound population; the Utility Assistance Program, which offers similar benefits to those identified as eligible through utility companies, and the Department of Environmental Conservation's Safety Net program which assists low-income homeowners with their water bills.

Community Food Connection (CFC)

The Community Food Connection (CFC) program (formerly the Emergency Food Assistance Program) provides food, funding, and technical assistance to more than 700 food pantries and community kitchens throughout New York City. In Fiscal Year 2025, CFC distributed 47.1 million pounds of fresh and shelf stable food to these programs. CFC also provides SNAP materials, education, trainings, pre-screenings and application assistance to the public, other government agencies and community-based organizations throughout the five boroughs of New York City.

Fair Fares

The Fair Fares program, implemented in 2019, provides half-fare transit benefits to New York City residents. As of October 30, 2025, eligibility is for residents at or below 150% of the federal poverty level who are not eligible for other transit subsidies or benefits. Fair Fares enrollment was approximately 380,000 in March 2026.

IDNYC

Implemented in Fiscal Year 2015, IDNYC is the largest municipal identification program in the U.S., providing identifications cards to New York City residents ages 10 and up. As of February 2026, IDNYC has enrolled more than 1.8 million unique card holders and 466,300 New Yorkers have renewed their cards to-date after reaching the 5-year renewal date.

Capital Review

The Department's Four-Year Plan for 2027-2030 totals \$334.6 million, of which \$225.1 million are City funds. Of this \$228.0 million is included for technology to streamline Department operations, including key investments related to the Access HRA Provider Portal, the Current NYC portal, and to Agency IT infrastructure upgrades. Additionally, HRA is making capital investments of \$105.2 million for facilities maintenance, equipment and improvements, and \$1.5 million is provided for vehicles.

Capital Commitments

(\$ in 000's)

	2025 Actual		2026 Plan		2027 Plan		2028 Plan		2029 Plan		2030 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Buildings	\$6,752	\$12,436	\$19,071	\$19,522	\$50,491	\$55,944	\$15,009	\$22,841	\$3,421	\$5,316	\$21,083	\$21,083
Data Processing.....	\$8,156	\$10,780	\$22,397	\$39,813	\$64,649	\$110,677	\$32,931	\$55,899	\$20,022	\$33,867	\$4,524	\$4,941
Telecommunications	\$40,654	\$43,786	\$2,786	\$5,130	\$10,211	\$18,910	\$1,995	\$3,694	\$-	\$-	\$-	\$-
Automotive	\$521	\$521	\$773	\$1,251	\$377	\$634	\$351	\$716	\$59	\$121	\$-	\$-
Total	\$56,083	\$67,523	\$45,027	\$65,716	\$125,728	\$186,165	\$50,286	\$83,150	\$23,502	\$39,304	\$25,607	\$26,024

Highlights of the Four-Year Capital Strategy

- Consolidation of agency data centers to streamline operations, upgrade legacy infrastructure, and enhance data protection (\$185.9 million).
- Upgrades to the IDNYC Web Enrollment Portal to improve processing efficiency, enhance fraud detection, and reduce reliance on legacy systems (\$6.7 million).
- Upgrades to AccessHRA include enhancing online functionality and the Provider Portal to allow community-based partner organizations to assist clients with navigating DSS benefits (\$9 million).

DEPARTMENTS OF SOCIAL AND HOMELESS SERVICES DEPARTMENT OF HOMELESS SERVICES

The Department of Homeless Services (DHS), under the integrated management structure of the Department of Social Services, operates the nation's largest and most comprehensive municipal shelter system for homeless adults and families through a network of directly operated facilities and programs, as well as non-profit partnerships. DHS' mission is to prevent homelessness whenever possible, provide safe and service-rich temporary emergency shelter when needed, assist individuals and families transition to permanent housing, and provide outreach, drop-in and transitional housing and permanent housing placement for individuals experiencing unsheltered homelessness.

DHS addresses homelessness through a borough-based approach to shelter meant to keep people connected to their communities and support networks. Grounded in trauma-informed service model approaches, DHS, along with HRA, focuses on homelessness prevention, improving the quality and safety of shelter facilities, engaging individuals experiencing unsheltered homelessness through outreach, and supporting pathways to permanent housing.

Continuing in 2026, the Department will continue to work with HRA and other City partners to help households experiencing homelessness transition into permanent housing. In Fiscal Year 2025, more than 17,800 households were placed from shelter into permanent housing through subsidized housing programs including the City Fighting Homelessness and Eviction Prevention Supplement (CityFHEPS), NYCHA placements, supportive housing placements, and other programs.

Financial Review

The Department's 2027 Executive Budget provides for operating expenses of \$4.2 billion, of which \$3.5 billion are City funds. In addition, the Department's capital budget for 2027 through 2030 totals \$238.8 million.

Expense Budget Highlights

Program Enhancements

- An additional \$988.56 million in City funds in 2027, increasing to \$1.2 billion in 2030 to fund shelter programs.
- An additional \$31.15 million in City funds in 2027, increasing to \$31.69 million in 2030 support New Yorkers experiencing street homelessness.

Summary of Agency Financial Data

The following table compares 2027 Executive Budget with the 2027 Preliminary Budget, the 2026 forecast and actual expenditures for 2025, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2025 Actual	2026 Forecast	2027		2026	2027
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$160,671	\$174,106	\$180,181	\$181,757	\$7,651	\$1,576
Fringe Benefits	1,335	832	832	832	—	0
OTPS	4,144,356	4,377,559	4,448,168	4,033,884	(343,675)	(414,284)
Total	\$4,306,362	\$4,552,497	\$4,629,181	\$4,216,473	(\$336,024)	(\$412,708)
Funding						
City	\$2,619,445	\$3,499,691	\$3,856,858	\$3,467,640	(\$32,051)	(\$389,218)
Other Categorical Grants	3,974	3,221	—	—	(3,221)	—
IFA	—	—	—	—	—	—
State	1,252,572	363,566	165,486	162,553	(201,013)	(2,933)
Federal CD	553	553	553	553	—	—
Federal Other	422,807	678,048	599,188	578,631	(99,417)	(20,557)
Intra-City Other	7,011	7,418	7,096	7,096	(322)	—
Total	\$4,306,362	\$4,552,497	\$4,629,181	\$4,216,473	(\$336,024)	(\$412,708)
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$68,438	\$74,148	\$83,026	\$76,260	\$2,112	(\$6,766)
Pensions	26,802	23,616	26,406	20,682	(2,934)	(5,724)
Other Than Personal Service (OTPS)						
Debt Service	—	—	—	—	—	—
Total Additional Costs	\$95,240	\$97,764	\$109,432	\$96,942	(\$822)	(\$12,490)
Funding						
City	92,715	94,415	105,539	93,594	(821)	(11,945)
Non-City	2,525	3,349	3,893	3,348	(1)	(545)
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$160,671	\$174,106	\$180,181	\$181,757	\$7,651	\$1,576
Fringe Benefits	69,773	74,980	83,858	77,092	2,112	(6,766)
Pensions	26,802	23,616	26,406	20,682	(2,934)	(5,724)
Total PS	\$257,246	\$272,702	\$290,445	\$279,531	\$6,829	(\$10,914)
OTPS	\$4,144,356	\$4,377,559	\$4,448,168	\$4,033,884	(\$343,675)	(\$414,284)
Debt Service	—	—	—	—	—	—
Total OTPS	\$4,144,356	\$4,377,559	\$4,448,168	\$4,033,884	(\$343,675)	(\$414,284)
Total Agency Costs	\$4,401,602	\$4,650,261	\$4,738,613	\$4,313,415	(\$336,846)	(\$425,198)
Less Intra-City	7,011	7,418	7,096	7,096	(322)	—
Net Agency Cost	\$4,394,591	\$4,642,843	\$4,731,517	\$4,306,319	(\$336,524)	(\$425,198)
Funding						
City	2,712,160	3,594,106	3,962,397	3,561,234	(32,872)	(401,163)
Non-City	1,682,431	1,048,737	769,120	745,085	(303,652)	(24,035)
Personnel (includes FTEs at fiscal year-end)						
City	1,701	1,971	2,116	1,934	(37)	(182)
Non-City	40	53	1	1	(52)	—
Total	1,741	2,024	2,117	1,935	(89)	(182)

Programmatic Review and Service Impact

Shelter Operations: Adult Services

The Department provides a variety of directly operated and contracted services for adults experiencing homelessness, including general and specialized transitional shelter, housing assistance and placement into subsidized and supportive housing. DHS, along with not-for-profit providers, operates assessment programs, general shelters, and specialized shelters for single adults and adult families. Specialized shelters include, but are not limited to, those addressing mental health, substance use and employment needs.

DHS and its contracted providers offer and make referrals to a spectrum of services that may include educational and job training programs as well as clinical and mental health services. The Agency also partners with HRA to connect adults in shelter to employment opportunities, including public and private market subsidized employment programs, to help them transition to permanent housing.

DHS single adults and adult families are able to exit or avoid shelter through one of the many available rental assistance or subsidized housing programs; in addition, they have access to supportive housing and Affordable Housing Service program models, which provide permanent housing combined with on-site and community-based services for clients with varying levels of special needs. In Fiscal Year 2026 (through January), DHS placed more than 1,000 households with approximately 1,300 individuals into supportive housing programs, including into NYC “15/15” units.

Shelter Operations: Family Services

The Department serves families with children experiencing homelessness through a network of shelters that provide social services, access to childcare and other supports, and rehousing services, designed to maximize family stability and to help them move to permanency in the community.

Eligible families are also required to apply for Cash Assistance (CA) through HRA and, as part of this process, receive access to a full range of employment and educational programs to help prepare for and obtain employment. CA eligibility also provides access

to many rental assistance programs that allow families to move into permanent housing. Through its network of providers, DHS also helps families access SNAP benefits, child support, tax credits and work supports, including childcare and Universal Pre-Kindergarten programs.

In 2026, DHS, partnering with other City agencies including the New York City Public Schools, the Administration for Children’s Services (ACS) and the Department of Health and Mental Hygiene (DOHMH), will continue and expand its focus on child well-being. The Department monitors school attendance, promotes infant safe sleeping, and collaborates with ACS to coordinate services to families with child welfare involvement and with DOHMH on programs for maternal and infant health.

As the influx of new arrivals has significantly abated, DHS is refocusing its efforts now and in 2026 by working with partner agencies to consolidate the emergency system that was opened in early Fiscal Year 2023.

Street Solutions

The Department is committed to providing robust programming and increasing permanency options for individuals on the street, subways and other public spaces. DHS provides an array of services to meet this goal, including street outreach programs, medical services, safe havens, drop-in centers and stabilization beds.

DHS provides 24/7 outreach efforts on New York City streets, subways and terminal destinations. DHS’s low-threshold safe havens and stabilization beds are a part of a specialized system that uniquely addresses the needs of clients experiencing unsheltered homelessness and helps them transition from the streets to a more permanent setting. As of April 2026, 4,000 low-barrier beds are online, with almost 400 having been brought online during the first few months in the Mamdani Administration. Recent bed openings led to DHS and its contracted outreach teams to make over 10,800 referrals to placements in Fiscal Year 2025 and an additional 4,500 referrals to placements from July through October of Fiscal Year 2026.

Capital Review

The Department’s Four-Year Plan for 2027–2030 totals \$238.8 million. The plan provides \$67.6 million for homeless family facilities, \$155.2 million for single adult facilities, and \$16.0 million for technology projects and equipment purchases. The table below reflects actual capital commitments for Fiscal Year 2025 and planned capital commitments over the Fiscal Year 2026-2030 period by program area.

**Capital Commitments
(\$ in 000’s)**

	2025		2026		2027		2028		2029		2030	
	Actual		Plan		Plan		Plan		Plan		Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Homeless Family Facilities...	\$11,204	\$11,204	\$9,182	\$9,182	\$20,771	\$20,771	\$31,654	\$31,654	\$8,067	\$8,067	\$7,077	\$7,077
Single Adult Facilities.....	33,322	\$33,322	60,016	\$63,091	92,010	\$92,010	32,223	\$32,223	14,450	\$14,450	16,517	16,517
Information Technology and Equipment.....	602	\$602	13,157	13,157	5,537	\$5,537	4,909	\$4,909	3,147	\$3,147	2,451	2,451
Total	<u>\$45,128</u>	<u>\$45,128</u>	<u>\$82,355</u>	<u>\$85,430</u>	<u>\$118,318</u>	<u>\$118,318</u>	<u>\$68,786</u>	<u>\$68,786</u>	<u>\$25,664</u>	<u>\$25,664</u>	<u>\$26,045</u>	<u>\$26,045</u>

Highlights of the Four-Year Capital Strategy

- Ongoing roof and façade replacement and reconstruction of \$82.6 million.
- Funding of \$11.8 million for technology projects including development of integrated applications for shelter compliance, case management, Street Solutions programs, and data reporting. These enhancements respond to critical program, policy, and legal goals.

ADMINISTRATION FOR CHILDREN'S SERVICES

The Administration for Children's Services (ACS) provides a broad range of programs that protect and promote the safety and well-being of New York City's children and families by providing child welfare, juvenile justice, child care assistance and family well-being services. ACS is working to strengthen our role in achieving equity, justice, and safety for NYC families—specifically, focusing on keeping children safe while reducing unnecessary child welfare involvement, investing in community approaches to support families, and providing quality care to children and youth that sets them up for a lifetime of success. While it is ultimately families that keep children safe and well, ACS plays an integral role in helping to ensure that families and communities have the resources and supports they need to care for their children.

Financial Review

The Department's 2027 Executive Budget provides for operating expenses of \$3.5 billion, \$1.4 billion of which are city funds. Capital commitments of \$391.1 million are provided from 2027 through 2030, of which \$359.1 million are city funds.

Expense Budget Highlights

ACS's 2027 Executive Budget responds to the challenges faced by New York's most vulnerable youth and families and lays important foundations for the future, including:

Foster Care: Adds \$97.5M to FY26 and out to cover a reduction in federal title IV-E revenue due to the federal government's lookback provision which ties IV-E eligibility to 1996 eligibility rates unadjusted for inflation.

Juvenile Justice Facility Needs: Adds \$4.4 million in 2026, \$6.2 million in 2027, \$6.2 million in 2028, and \$6.3 million in 2029 and out to support operations and maintenance at ACS detention facilities as well as capacity needs at Non-Secure Placement Facilities.

Promise NYC: Baseline addition of \$25 million to continue community-based child care support through Promise NYC.

Child Care: Adds \$33M in 2027 to support childcare vouchers for low-income New Yorkers.

Summary of Agency Financial Data

The following table compares 2027 Executive Budget with the 2027 Preliminary Budget, the 2026 forecast and actual expenditures or 2025, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2025 Actual	2026 Forecast	2027		2026	2027
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$608,708	\$609,140	\$598,509	\$625,469	\$16,329	\$26,960
Fringe Benefits	720	461	1	1	(460)	(0)
OTPS	3,339,684	3,811,916	2,826,455	2,889,090	(922,826)	62,635
Total	\$3,949,112	\$4,421,517	\$3,424,965	\$3,514,560	(\$906,957)	\$89,595
Funding						
City	\$1,459,015	\$1,414,145	\$1,316,355	\$1,403,279	(\$10,866)	\$86,924
Other Categorical Grants	99	700	—	—	(700)	—
IFA	—	—	—	—	—	—
State	771,319	982,062	981,297	981,189	(873)	(108)
Federal CD	—	—	—	—	—	—
Federal Other	1,715,487	2,017,766	1,124,087	1,126,866	(890,900)	2,779
Intra-City Other	3,192	6,844	3,226	3,226	(3,618)	—
Total	\$3,949,112	\$4,421,517	\$3,424,965	\$3,514,560	(\$906,957)	\$89,595
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$255,997	\$267,734	\$291,883	\$274,075	\$6,341	(\$17,808)
Pensions	97,705	82,771	99,334	77,802	(4,969)	(21,532)
Other Than Personal Service (OTPS)						
Debt Service	—	—	—	—	—	—
Total Additional Costs	\$353,702	\$350,505	\$391,217	\$351,877	\$1,372	(\$39,340)
Funding						
City	207,757	133,991	185,791	138,711	4,720	(47,080)
Non-City	145,945	216,514	205,426	213,166	(3,348)	7,740
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$608,708	\$609,140	\$598,509	\$625,469	\$16,329	\$26,960
Fringe Benefits	256,717	268,195	291,884	274,076	5,881	(17,808)
Pensions	97,705	82,771	99,334	77,802	(4,969)	(21,532)
Total PS	\$963,130	\$960,106	\$989,727	\$977,347	\$17,241	(\$12,380)
OTPS	\$3,339,684	\$3,811,916	\$2,826,455	\$2,889,090	(\$922,826)	\$62,635
Debt Service	—	—	—	—	—	—
Total OTPS	\$3,339,684	\$3,811,916	\$2,826,455	\$2,889,090	(\$922,826)	\$62,635
Total Agency Costs	\$4,302,814	\$4,772,022	\$3,816,182	\$3,866,437	(\$905,585)	\$50,255
Less Intra-City	3,192	6,844	3,226	3,226	(3,618)	—
Net Agency Cost	\$4,299,622	\$4,765,178	\$3,812,956	\$3,863,211	(\$901,967)	\$50,255
Funding						
City	1,666,772	1,548,136	1,502,146	1,541,990	(6,146)	39,844
Non-City	2,632,850	3,217,042	2,310,810	2,321,221	(895,821)	10,411
Personnel (includes FTEs at fiscal year-end)						
City	6,433	6,272	6,344	6,279	7	(65)
Non-City	71	777	777	777	—	—
Total	6,504	7,049	7,121	7,056	7	(65)

Programmatic Review and Service Impact

Division of Child Protection (DCP)

ACS/DCP responded to 55,996 reports of abuse and neglect transmitted to ACS from the New York Statewide Central Register (SCR) during 2025. These resulted in 38,246 investigations and 10,240 CARES cases. (Some investigations result from multiple reports, which are consolidated.)

ACS DCP is required to respond to allegations of child abuse and neglect reports transmitted by the SCR to ACS. DCP responds to reports of alleged abuse or neglect via two different approaches: Most frequently, DCP responds with an investigation conducted by Child Protective Specialists (CPS) in DCP's protective/diagnostic units; in lower-risk cases, DCP can pursue a non-investigative differential response, known as Collaborative Assessment, Response, Engagement and Support (CARES). Children in cases assigned to the CARES track receive a safety assessment similar to that in an investigation, but these cases do not require an investigation determination regarding the neglect allegations that generated the report. As a result, these cases leave no adverse determination on a parent's record, which might later impact employment and other opportunities. ACS has substantially increased the number and percentage of cases assigned to CARES in recent years. Last year, about 21 percent of cases were tracked to CARES.

The DCP Family Services Unit (FSU) monitors children and families in court-ordered supervision cases until a judge determines that a child may remain safely in their home without the intervention of ACS or needs placement in foster care. ACS has substantially reduced the number of cases where ACS is supervising with the number of families receiving court ordered supervision down more than 64 percent from January 2019 to January 2026.

While ACS is required to respond to all child protective reports referred by the state, 23 percent are indicated for child abuse or maltreatment. Given this, and the impact investigations have on families, ACS has been working with partner agencies to retrain mandated reporters on how to access supports for families without making reports to the child abuse hotline when a child is not at imminent risk of maltreatment. As a result, from 2023 to 2025, we have seen a 17 percent reduction in reports from schools, a 16% reduction in reports from social services agencies,

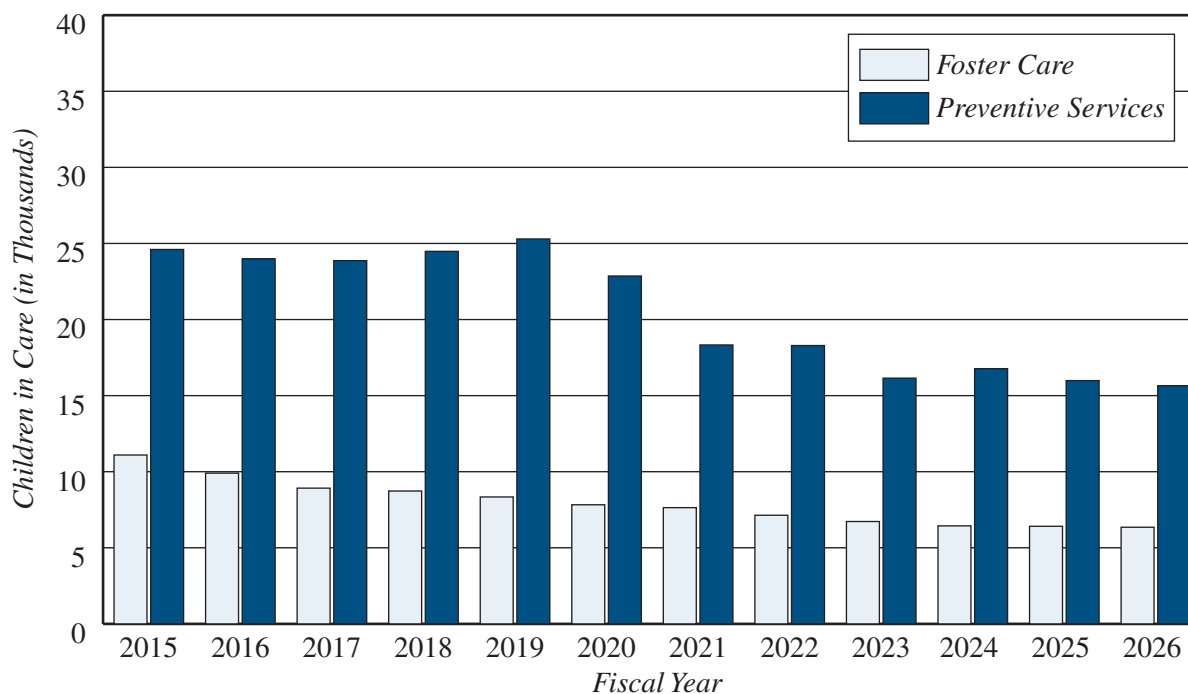
and a 7 percent reduction in reports from medical and mental health personnel. At the same time, we have provided mandated reporters with alternative approaches to identifying supports for families in need, including our own prevention support hotline.

Preventive Services for Children and Families

ACS provides family support and clinical, therapeutic services to children and families with the aim to support families in their communities, promote family stability and well-being, reduce the need for placement of children into foster care, and expedite reunification after placement, thereby reducing the length of time that children spend in foster care. These services are provided in the home to children and families, and are free to families regardless of insurance coverage. The services are offered through contracted non-profit community-based organizations, available in multiple languages, and in every borough. Services are flexible and can accommodate families' schedules. They are voluntary for families unless there is a family court order. Family Services seek to support the physical, psychological, and emotional needs of children and caregivers. All services aim to help families set and achieve goals that are important to them, and support parents/caregivers to promote children's safety, health and well-being by providing counseling, case planning, concrete supports, referrals, service navigation, and therapy (program model specific) services in a way that embraces the rich cultural diversity of New York City families. These services address underlying factors that may lead to child neglect and maltreatment, such as economic scarcity, trauma, mental health challenges, domestic violence, and substance misuse. The family services continuum includes a range of interventions (also known as "models"), many of which are research-informed or evidence-based, that serve families in the child welfare and juvenile justice systems. In 2025, 14,277 families with 30,940 children participated in ACS prevention services, including 7,580 new families. Homemaking services, which complement case management, support families in safely maintaining children at home through in-home training and guidance. In partnership with HRA and community-based home health agencies, Family Home Care (FHC) also offers Home Attendant and Home Health Aide Services for parents and children with medical needs.

The Family Services Division has established the Support Line (212) 676-7667, which is a clear pathway

CHILDREN IN FOSTER CARE AND PREVENTIVE SERVICES 2015 - 2026



Source: NYC OMB

for New York City families and community partners to receive support through access to prevention services and concrete resources. The Support Line operates Monday through Friday, from 9:00 AM to 5:00 PM, and handles an average of approximately 304 inquiries per month. It can be reached by phone at (212) 676-7667 or via email at connect@acs.nyc.gov.

Foster Care

Placements in family foster care, residential settings, or specialized care facilities are provided on a temporary basis until children and youth leave foster care. ACS’s efforts to increase placement with relatives and family friends include a strong focus on exploring a child’s entire support network and engaging potential resources. Living with kin not only reduces trauma but also creates the possibility of guardianship with kin for children who cannot return to their parent.

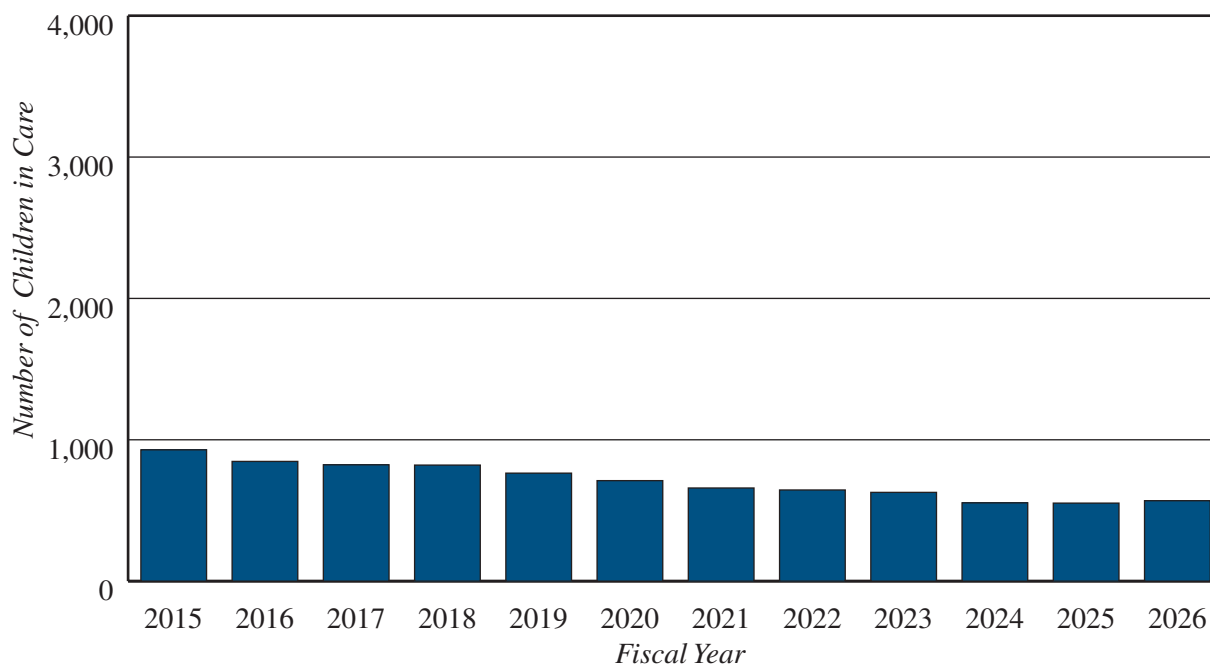
The majority of children who enter foster care are reunified with their families. When children cannot be safely reunified, the New York City Administration for Children’s Services (ACS) works to achieve permanency through adoption or kinship guardianship. The overall

foster care census has continued declining, from 6,757 in January 2023 to 6,258 in January 2026, and 42 percent are living with kin. The number of foster children in residential settings has also continued to decline, from 628 in January 2023 to 555 in January 2026.

ACS developed a revised 5-year plan that started on July 1, 2023, identifying four Core Collective Priorities designed to serve and guide New York City foster care practice moving forward. The collective priorities are as follows:

- 1) Meet the present need with sufficient foster home capacity.
- 2) Focus on family – to provide responsive case practice informed by youth and parent voice, in support of safe and timely permanency.
- 3) Create safety and stability for children in foster care.
- 4) Ensure child and youth success and improved well-being.

RESIDENTIAL CASELOADS 2015 - 2026



Source: NYC OMB

The Core Collective Priorities were informed by the lessons learned from the previous five-year plan and information gathered from a large-scale case review. Through these case reviews, ACS identified strategies to overcome barriers to permanency and strengthen case planning.

ACS continues to implement a range of strategies with foster care providers to:

- Blend regular and therapeutic foster care programs into one Enhanced Family Foster Care model to support children’s needs and increase stability.
- Focus on identifying and finding kin to care for children entering foster care.
- Incorporate parent voice by adding Parent Advocates to the case management team.
- Increase therapeutic and evidence-based services for youth in care and their families leading to safety and timely permanency for all children and youth.
- Add additional workforce enhancements to support and retain staff.

- Increase youth and family voice; strive to address racial disparities, strengthen supports and improve outcomes for youth identifying as LGBTQAI+.
- Create a payment structure that provides great flexibility to cover fixed costs necessary to maintain adequate staffing, infrastructure support, and other services to deliver stable services.

Permanency Efforts – Reunification, Adoption Services and KinGAP

Permanency (Reunification, Adoption and KinGAP) is at the forefront of all efforts to support families. The ultimate goal is for children to thrive in a safe and permanent home.

Reunification

ACS has worked to improve permanency outcomes for children and youth in foster care by streamlining the administrative processes and providing enhanced technical assistance to agencies to reduce time to reunification and expedite adoption and kinship guardianship. Foster care services are designed to meet the needs of children, youth, and parents, leading to

timely and safe reunification. Lifting parent and youth voice, along with comprehensive service planning, inform the overall case planning process. All family foster care programs are implementing the Parents Empowering Parents program which involves parent advocates with lived child welfare experience with case planning teams to support parents on the path to reunification with their children. Additionally, foster care programs emphasize the importance of Family Time, opportunities for parents and their children to visit frequently, to support reunification efforts. In 2025, 1,769 children achieved permanency by reunifying with their families.

Adoption and KinGAP

When reunification is not possible, Adoption provides a stable and permanent home for children. Most children who are eligible for adoption (i.e., children who are legally freed for adoption and have a permanency goal of adoption) are already placed with the family who will be their adoptive family. The Kinship Guardianship Assistance Program (KinGAP) is designed for a foster child to achieve permanency with a relative who had been the child's foster parent for at least six months and provides the kin with a subsidy to care for the child after exiting foster care.

ACS continues to partner with the Family Court as well as the attorneys who represent prospective adoptive and KinGAP parents to move forward adoption and KinGAP cases. In 2025, 487 children exited foster care to Adoption. The number of children exiting foster care to KinGAP was 404 in 2025.

Children who are adopted or exit foster care through guardianship receive financial supports through regular subsidies and, in most cases, medical coverage for the child. The level of ongoing financial support is similar to the maintenance payments received while the child was in foster care. As of February 2026, 9,489 adopted children were receiving an adoption subsidy, and 3,409 children who exited foster care through kinship guardianship were receiving a KinGAP subsidy.

Fair Futures

Fair Futures is a professional coaching program serving over 5,069 young people across NYC's foster care and juvenile justice programs. The program has been supporting youth ages 11 to 26 years old with tutoring and 1:1 coaching services as well as providing social and emotional support to build life skills, set

academic and career goals, facilitate connections to programs/services that support goal attainment, and plan for successful transitions from foster care. To date over 500 Fair Futures staff have been onboarded.

College Choice

ACS implements a robust college bound and college support program for youth in foster care pursuing a two- or four-year degree. Building on previous college programming, College Choice gives youth the ability to choose what college they want to go to, where they want to live and what types of academic support they would like to receive. College Choice provides tuition support for up to \$15,000, a direct cash stipend, and support with college housing costs. Youth can also access academic and college advising through a partnership with the New York Foundling. In FY25, there were 430 students enrolled in College Choice, up from 400 students in FY24, 378 in FY23 and 200 in FY22.

Division of Youth and Family Justice

The Division of Youth and Family Justice (DYFJ) provides Specialized Secure Detention (SSD), Secure Detention (SD), and Non-Secure Detention (NSD) services for youth charged as juvenile delinquents, juvenile offenders, and adolescent offenders whose cases are pending in Family or Criminal Court. ACS operates two secure/specialized secure detention facilities and oversees a network of seven non-secure detention group homes across the City through contracts with private non-profit social service organizations. While in detention, residents receive support services, including education, medical care, mental health support, programming, recreation, and case management.

In the city's Close to Home initiative, launched in 2012, DYFJ assumed custody of adjudicated youth in Family Court found to need out-of-home placement from NYS OCFS. DYFJ provides care through a system of non-profit providers located within and just outside of New York City. Providers offer an array of general and specialized juvenile justice residential care programs, including intensive clinical services, education programs, and aftercare re-entry services.

Currently, the City's Close to Home program has capacity to serve 153 youths, 120 in non-secure placement (NSP) and 48 in limited secure placement (LSP). Youth in these settings will also have access to

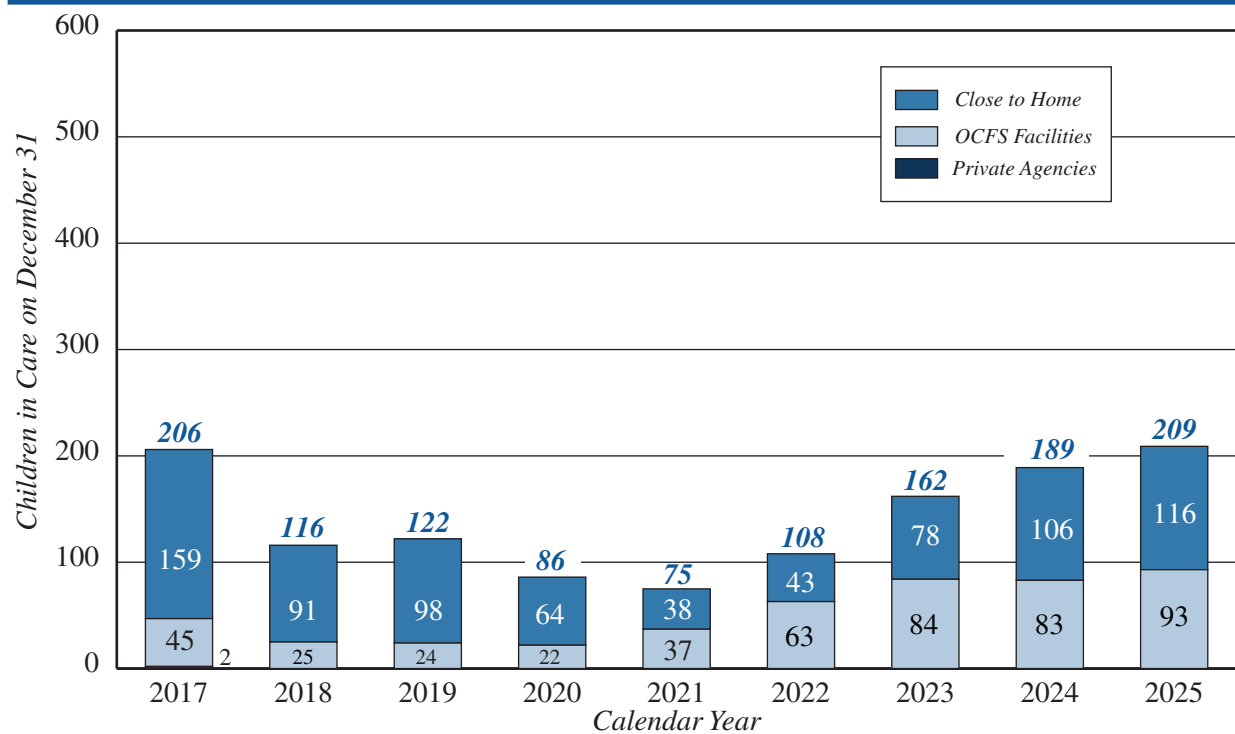
Fair Futures coaches as they prepare for re-entry into the community. Juvenile Offenders and Adolescent Offenders, those convicted of the most serious crimes, serve their incarceratory sentences in state-operated secure facilities.

With the implementation of New York state’s Raise the Age legislation in October 2018, 16- and 17-year-old youth are no longer detained on Rikers Island, and if ordered by a court to be detained, are now held in ACS facilities where they receive education, age-appropriate therapeutic and recreational services, programming, and medical and mental health care. DYFJ has increased its investment in court-involved young people with the continued expansion of programming, college options and Workforce Development services in secure detention.

In addition to detention and placement services, DYFJ operates a full continuum of community-based diversion and alternative services to prevent youth from entering the juvenile justice system or deeper end system involvement. These services include our Family Assessment Program (FAP), which provides support and/or voluntary preventive services to any

NYC family struggling with youth who are exhibiting challenging behaviors. FAP also serves families seeking to file PINS petitions in family court and serves approximately 3,500 families a year through community-based referrals, contracted evidence-based models, and other proven practices, including mentorship and respite services. Our Juvenile Justice initiative (JJI) provides an alternative to Close to Home placement. JJI allows youth to remain in the community while under the supervision of the NYC Department of Probation and engaged in evidence-based services from ACS contracted providers. JJI’s evidence-based continuum includes Functional Family Therapy and Multisystemic Therapy, with specialization in Substance Abuse, Psychiatric, Emerging Adults, and Problematic Sexualized Behaviors. DYFJ is also responsible for the Family Court Alternative to Detention (ATD) programs, with contract slots expanding from 80 to 100 slots each in Brooklyn, Queens, and the Bronx in July 2025. Additionally, DYFJ has assumed responsibility for the Assertive Community Engagement & Success (ACES) program from MOCJ and expects to expand services from 140 slots to over 300 slots by July 2026.

JUVENILES IN RESIDENTIAL PLACEMENT 2017 - 2025



Source: NYS OCFS Annual Youth in Care Report and ACS

Division of Child and Family Well-Being

The Division of Child and Family Well-Being (CFWB) works to provide families and children the critical supports they need to thrive and have self-determination. The Division focuses on leveraging concrete resources, stakeholder relationships, and community and family strengths to drive toward greater equity and social justice, reduce disparities and disproportionality—including in the child welfare system—and create conditions that foster well-being for children, families, and communities. CFWB helps families afford child care assistance, funds community-based models that promote parent and child well-being, and promotes child safety through education, training, and resource distribution.

Child Care Assistance

ACS administers child care assistance to approximately 80,000 children through child care vouchers supported by the New York State Child Care Block Grant, other state and federal funds, as well as city tax levy funds. This includes families with child welfare involvement and low-income families that meet eligibility criteria.

Vouchers may be used to offset costs of care in both formal and informal settings. Formal child care settings include child care centers, licensed by the Department of Health and Mental Hygiene (DOHMH) and group family day care homes, registered by New York State Office of Children and Family Services. Informal settings include care provided in the child's own home or the homes of family, friends or neighbors.

Community-Based Programs

ACS contracts with community-based organizations (CBOs) to manage two community-driven models, Community Partnerships (CPs) and Family Enrichment Centers (FECs). Since 2007, ACS has funded 11 CPs, community coalitions through which service providers, community leaders, and residents coordinate services, implement programming to address service gaps, and

design and promote strategies to support families and children. FECs are warm, inviting spaces open to all community members and led by caring staff and parent/caregiver advisory councils. The spaces are meant to promote protective factors – like social connection, access to concrete needs, and parental resilience – that foster strong family and community environments, contributing to healthy child and youth development. FECs strengthen family protective factors in three interconnected ways – i) bringing together groups of families and community members to engage in planned activities, called "offerings," intentionally designed with community members; ii) providing individuals with everyday access to the Center, including its housed resources and concrete supports, and interactions with its visitors and staff; and, iii) facilitating warm handoffs to strong community partners who can offer services and supports to families not offered at the FEC.

ACS currently has contracts for 30 FECs- 25 sites are open to the public, with 4 more expected to open in the next 3 months. The 30th site is expected to open in 12 months; their contract began on January 1, 2026. The sites are in varying stages of implementation – some have been open and operating for several years; others are in a start-up phase, working to hire and train staff, engage community members to design and renovate their sites, conduct outreach, and provide in-person and virtual offerings.

Child Safety and Injury Prevention

CFWB promotes child safety and injury prevention by providing parents and caregivers the resources and information they need to keep their young children safe. The Division connects with New York City families and child-serving professionals to make them aware of the leading causes of unintentional childhood injuries and the best ways to keep children safe. They support ongoing child safety strategies, including public campaigns related to infant safe sleep practices, safe storage of prescription medications and cannabis edibles, and safety around water, whether at bath time or the swimming pool.

Capital Review

The Four-Year Capital Plan totals \$391.1 million, of which \$359.1 million are City funds. The Capital Plan includes \$275.3 million for DYFJ projects, \$74.6 million for equipment and information systems, \$2.5 million for other facility renovations and a vehicle purchase, \$18.5 million for City Council child welfare projects, and \$20.1 million for Borough President child welfare projects.

Capital Commitments

(\$ in 000's)

	2025 Actual		2026 Plan		2027 Plan		2028 Plan		2029 Plan		2030 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Child Welfare	\$71,179	\$85,487	\$112,316	\$113,785	\$159,962	\$159,962	\$41,442	\$42,768	\$60,333	\$60,333	\$34,682	\$34,692
MIS and Equipment	\$10,936	\$20,639	\$23,700	\$41,549	\$42,029	\$68,302	\$6,588	\$8,651	\$6,402	\$6,402	\$5,756	\$8,048
Buildings	\$-	\$-	\$3,337	\$3,728	\$400	\$400	\$-	\$-	\$-	\$-	\$1,512	\$1,512
Total	<u>\$82,115</u>	<u>\$106,126</u>	<u>\$139,353</u>	<u>\$159,062</u>	<u>\$202,391</u>	<u>\$228,664</u>	<u>\$48,030</u>	<u>\$51,419</u>	<u>\$66,735</u>	<u>\$66,735</u>	<u>\$41,950</u>	<u>\$44,252</u>

Highlights of the Four-Year Capital Plan

- \$74.6 million will support Information Technology projects including telecommunications, infrastructure upgrades, system builds and improvements.
- \$275.3 million will support the Department's juvenile justice operations, including the addition of an annex to the Horizon complex, and renovations of the Department's two secure detention facilities – Crossroads and Horizon.

DEPARTMENT OF YOUTH AND COMMUNITY DEVELOPMENT

The New York City Department of Youth and Community Development (DYCD) contracts with hundreds of nonprofit community-based organizations to operate a continuum of services, including support programs for families and youth in neighborhoods throughout the five boroughs. DYCD's mission is to invest in a network of community-based organizations and programs to alleviate the effects of poverty, and to provide opportunities for New Yorkers and communities to flourish. The agency's vision is a New York City in which everyone flourishes, and outcomes are not determined by race, gender, gender identity, sexual orientation, income, neighborhood, immigration status, or disability.

DYCD programming includes Beacon and Cornerstone Community Centers, the Comprehensive Afterschool System of New York City (COMPASS), School's Out New York City (SONYC), Fatherhood, Immigration programs, Literacy Services, Neighborhood Development Areas (NDAs), the Office of Neighborhood Safety (ONS), Runaway and Homeless Youth (RHY), Saturday Night Lights (SNL), the Summer Youth Employment Program (SYEP) and other youth and young adult workforce development programs, and Summer Rising (in partnership with the New York City Public Schools). As the designated Community Action Agency for New York City, DYCD is the local grantee for federal Community Services Block Grant (CSBG) funding, which supports a variety of programs that promote self-sufficiency and healthy communities.

Financial Review

The Department's 2027 Executive Budget provides for operating expenses of \$1.6 billion, of which \$1.5 billion are City funds.

Expense Budget Highlights

DYCD's 2027 Executive Budget acknowledges the current fiscal challenges facing the city, as well as maintaining the crucial foundations for the city's youth, communities, and families. This includes:

- In Fiscal Year 2027, the Office of Neighborhood Safety will increase by almost \$15 million to support expansions for the Crisis Management System, Atlas, and other anti-violence initiatives.
- DYCD issued the largest afterschool Request for Proposals (RFP) in New York City history for COMPASS K–8 programs. In 2027 budget includes \$730 million to support this significant expansion. The RFP stabilizes contracts and includes increased rates, while updating the program model and expanding services for elementary school students. The expansion includes 20,000 additional elementary seats, with 5,000 seats opened this past

fall, 10,000 planned for fall 2026, and 5,000 more to be allocated for fall 2027. It also strengthens the model by providing additional support for center-based programs, refining personnel roles including support for youth with disabilities and a stronger focus on students' emotional health and enhancing program content requirements. This expansion aligns with Mayor Mamdani's affordability agenda.

- \$246 million in funding will support 100,000 youth in the Summer Youth Employment Program. Mayor Mamdani officially launched the Summer Youth Employment Program on January 20, 2026, the earliest application opening in the program's history.
- \$42.7 million to support the Community Resources for Employment and Development (CRED) initiative to expand workforce opportunities across New York City. CRED serves New Yorkers ages 18 to 40 who are justice involved or from communities disproportionately impacted by crime and violence. The program provides up to 24 weeks of work readiness and occupational skills training in high demand sectors, along with paid internships, job placement support, and wraparound services.

Summary of Agency Financial Data

The following table compares 2027 Executive Budget with the 2027 Preliminary Budget, the 2026 forecast and actual expenditures for 2025, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2025 Actual	2026 Forecast	2027		2026	2027
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$59,546	\$64,214	\$68,408	\$66,249	\$2,035	(\$2,159)
Fringe Benefits	—	—	—	—	—	—
OTPS	1,289,757	1,473,099	1,565,225	1,553,146	80,047	(12,079)
Total	\$1,349,303	\$1,537,313	\$1,633,633	\$1,619,395	\$82,082	(\$14,238)
Funding						
City	\$1,199,774	\$1,400,552	\$1,504,590	\$1,490,207	\$89,655	(\$14,383)
Other Categorical Grants	30	319	272	272	(47)	—
IFA	—	—	—	—	—	—
State	16,621	22,351	18,357	18,357	(3,994)	—
Federal CD	7,021	7,540	7,165	7,165	(375)	—
Federal Other	121,697	100,199	98,093	98,238	(1,961)	145
Intra-City Other	4,160	6,352	5,156	5,156	(1,196)	—
Total	\$1,349,303	\$1,537,313	\$1,633,633	\$1,619,395	\$82,082	(\$14,238)
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$20,959	\$25,052	\$27,037	\$25,874	\$822	(\$1,163)
Pensions	7,710	7,607	9,706	7,602	(5)	(2,104)
Other Than Personal Service (OTPS)						
Debt Service	—	—	—	—	—	—
Total Additional Costs	\$28,669	\$32,659	\$36,743	\$33,476	\$817	(\$3,267)
Funding						
City	28,660	32,604	36,486	33,421	817	(3,065)
Non-City	9	55	257	55	—	(202)
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$59,546	\$64,214	\$68,408	\$66,249	\$2,035	(\$2,159)
Fringe Benefits	20,959	25,052	27,037	25,874	822	(1,163)
Pensions	7,710	7,607	9,706	7,602	(5)	(2,104)
Total PS	\$88,215	\$96,873	\$105,151	\$99,725	\$2,852	(\$5,426)
OTPS	\$1,289,757	\$1,473,099	\$1,565,225	\$1,553,146	\$80,047	(\$12,079)
Debt Service	—	—	—	—	—	—
Total OTPS	\$1,289,757	\$1,473,099	\$1,565,225	\$1,553,146	\$80,047	(\$12,079)
Total Agency Costs	\$1,377,972	\$1,569,972	\$1,670,376	\$1,652,871	\$82,899	(\$17,505)
Less Intra-City	4,160	6,352	5,156	5,156	(1,196)	—
Net Agency Cost	\$1,373,812	\$1,563,620	\$1,665,220	\$1,647,715	\$84,095	(\$17,505)
Funding						
City	1,228,434	1,433,156	1,541,076	1,523,628	90,472	(17,448)
Non-City	145,378	130,464	124,144	124,087	(6,377)	(57)
Personnel (includes FTEs at fiscal year-end)						
City	570	638	661	645	7	(16)
Non-City	35	86	86	86	—	—
Total	605	724	747	731	7	(16)

Programmatic Review and Service Impact

Beacon Community Centers

Pioneered in 1991 under Mayor David Dinkins, these collaborative, school-based community centers have been replicated nationally, including as a model for Cornerstone Community Centers and Community Schools. Beacon programs are designed based on the needs of their communities, and tailor activities to serve young people and adults in the areas of academic enhancement, life skills, career awareness, civic engagement and community building, recreation, health and fitness, and culture. Research has demonstrated that Beacons have a positive impact on academic achievement and social development, reducing risky adolescent behaviors, empowering community residents, and providing a forum for local problem solving.

Cornerstone Community Centers

Cornerstone Community Centers (Cornerstones) deliver a broad range of services to individuals of all ages living in New York City Housing Authority (NYCHA) developments and surrounding neighborhoods. The Department of Youth and Community Development (DYCD) funds 100 Cornerstone programs that offer engaging, year-round activities for both adults and young people throughout the five boroughs. These centers feature multi-generational programs that involve youth, families, and adults. Cornerstone programming is guided by input from young people, NYCHA residents, Resident Association leaders, elected officials, and other community stakeholders. Youth programs are designed to foster important skills like leadership, conflict resolution, teamwork, and communication—helping participants build self-confidence, succeed in their careers, show empathy, make thoughtful decisions, and become more active citizens. Adult programs at Cornerstone centers focus on skill development, social interaction, community involvement, and physical activity. During the summer, Cornerstones extend their evening hours until 11 p.m. each night, creating a safe and welcoming space for recreation and continued learning.

Comprehensive Afterschool System of New York City (COMPASS)/School's Out New York City (SONYC)

The Comprehensive Afterschool System of New York City (COMPASS) and School's Out New York City (SONYC) middle school programs offer a mix

of academic, recreational, and cultural activities for young people after school, during school closing days, and in the summer. Nearly 900 programs serve young people from elementary through high school and are primarily located in public and non-public schools, community centers, public housing, and parks recreational facilities. Through DYCD-funded community-based organizations, COMPASS offers high quality afterschool programs that offer a balance of enrichment activities, including creative arts, physical fitness, academic support, and cultural activities to support and strengthen the overall development of youth. COMPASS programs keep youth safe, foster competencies, and allow young people to explore interests and creativity while building confidence and leadership skills.

DYCD recently issued an RFP to expand programs to operate 805 COMPASS programs at public schools and 121 programs at community centers. This was the largest RFP and first major expansion of the City's after-school system in over ten years. Annual funding of \$331 million has been invested in COMPASS, bringing the total to \$762 million annually starting in FY28. This includes an unprecedented expansion of 20,000 new seats for elementary school students, five thousand of which launched in the fall of 2025, ten thousand in 2026 and five thousand in 2027. The investment will help stabilize staffing, strengthen programming and support the network's workforce and aligns with Mayor Mamdani's affordability agenda.

Fatherhood Programs

By promoting positive involvement of fathers in the lives of their children, DYCD's seven CSBG-funded Fatherhood programs strengthen family relationships and encourage fathers to fulfill their financial responsibilities. Fatherhood services include individual, family and group counseling, father-to-father mentoring, parent and child rearing classes, visitation arrangements, and mediation and conflict resolution training. Support activities include independent living skills training, college preparation classes, and adult basic education and English instruction for speakers of other languages. DYCD also encourages program providers to form linkages with other organizations to address the comprehensive needs of fathers, including job training and placement, health care, and housing. The program now serves 3,000 fathers, with a total budget of \$8.2 million in 2027.

Literacy Services

Adult Literacy programs are designed to assist adults and older youth to become literate, and to obtain the knowledge and skills necessary for further education, employment, and self-sufficiency. Adult Basic Education (ABE) programs provide instruction in reading, writing, and mathematics to native English speakers. High School Equivalency (HSE) test preparation classes are designed to help students prepare for HSE tests in reading, writing, social studies, science, and math. English for Speakers of Other Languages (ESOL) programs provide English language courses to immigrants to increase their communication skills. In 2027, DYCD's funding for adult literacy services is \$14.5 million, and it is projected that 10,334 individuals will be served, inclusive of NDA literacy programs.

Programs also provided expanded support services to engage students in continued learning while operating remotely, to keep them connected to a caring community, and provide access to essential information and services. DYCD awarded new contracts under a Request for Proposals (RFP) for 2025. The new model includes hybrid classes and mental health services to address issues such as depression, anxiety, trauma, and substance abuse.

Neighborhood Development Area (NDA) Programs

DYCD administers the federal Community Services Block Grant (CSBG) program to fund anti-poverty initiatives in 41 designated low-income Neighborhood Development Areas (NDAs) across the five boroughs of New York City. NDA programs are designed to allow individual neighborhoods to fund the social services they determine best meet their particular needs. DYCD's mission in administering the Community Action Program is to assist low-income individuals and families to attain the skills, knowledge, motivation, and opportunities they need to become self-sufficient.

Office of Neighborhood Safety (ONS)

In 2024, DYCD began overseeing the Office of Neighborhood Safety (ONS), which manages the city's community violence intervention work. ONS is comprised of the Crisis Management System (CMS), the Mayor's Action Plan for Neighborhood Safety (MAP), and Atlas. CMS is a partnership of organizations—

including a network of residents, credible messengers, and community leaders—that mediate community conflicts, connect young people aged 16 to 24 most at risk of gun violence to mentorship and risk reduction plans, and mobilize the community to promote peace and shift norms around the use of violence.

DYCD's other programming, particularly workforce all serve to connect communities and serve as upstream tools to combat gun violence and overall crime. Through Executive Order 15, the Office for Neighborhood Safety will transfer from the Department of Youth and Community Development to the Office of Community Safety beginning 2028.

Runaway and Homeless Youth (RHY)

DYCD funds programs to protect runaway and homeless youth and, whenever possible, reunite them with their families. For youth in need of shelter and care, Crisis Shelters offer safe and welcoming environments on a short-term basis, while Transitional Independent Living (TIL) facilities combine longer-term shelter with the necessary support designed to place formerly homeless youth on the path to independence. Charged with giving vulnerable young people the resources they need to stabilize their lives; services also include Street Outreach and eight Drop-In Centers, five which operate 24/7. DYCD expanded in 2026 by 100 beds bringing a total of 913 beds to the Runaway and Homeless Youth residential programs that are online for youth ages 16 to age 24.

Saturday Night Lights (SNL)

Saturday Night Lights (SNL) serves young people at 139 sites citywide. SNL programs offer safe and engaging evening sports programs, including basketball, soccer, volleyball, dance, and martial arts.

Summer Rising

The Summer Rising program, in partnership with NYC Public Schools, serves 110,000 elementary and middle school youth. The program connects them with fun, hands-on enrichment experiences to strengthen skills, develop interests, and cultivate curiosity. Examples of programming include drama, yoga, community service, visual art, sports, and cooperative games.

Youth Workforce Development

The Summer Youth Employment Program (SYEP) provides New York City youth between the ages of 14 to 24 with summer work experiences and career exploration opportunities. Older participants work in a variety of entry-level jobs at community-based organizations, government agencies, and private sector businesses, and are paid for up to 25 hours per week for up to six weeks at the current state minimum wage of \$17 per hour. Younger participants receive a stipend to complete project-based learning experiences. In 2026, 97,444 youth participated in SYEP at over 13,000 worksites across the city. In 2027, the city is committed to serving 100,000 young people.

Work, Learn and Grow (WLG), a school-year extension of SYEP, is now serving over 7,000 youth.

To administer the Advance & Earn program in 2026, DYCD received \$8.8 million from OEO, \$3.4 million from YMI, \$6 million for AE Expansion, and \$2.2 million from an intracity agreement with the Administration for Children's Services (ACS), totaling approximately \$21.8 million. Without ACS and Expansion funding, DYCD received approximately \$12.2 million from OEO and YMI alone. Advance & Earn connects youth between the ages of 16-24 with comprehensive High School Equivalency (HSE) test preparation, employer-recognized training, credentials and certifications, and paid internships. The program will serve over 1,300 participants this year including ACS.

In 2026, DYCD committed a total of \$36 million of funding to support the WIOA Learn & Earn and the Train & Earn programs. Approximately \$33 million of that funding is supported by the federal Workforce Innovation and Opportunity Act (WIOA). These programs received a new Request for Proposals (RFP) starting in 2025.

The Learn & Earn program is designed to help high school juniors and seniors graduate from high school and prepare for employment and post-secondary education or training. Learn & Earn program sites are located primarily in high schools to maximize participant success in school and leverage school resources. Learn & Earn program goals are supported through a combination of academic activities, such as tutoring, college visits, SAT preparation, career exploration activities including paid summer work experiences through the Summer Internship Program (SIP), work readiness training, and mentoring. The program also supports participants with guidance and counseling, stipends, and leadership development activities. Participants receive up to two years of services and a year of follow-up services, depending on their grade at enrollment.

Train & Earn serves eligible youth aged 16-24 years old who are not working or in school and who need assistance in upgrading their occupational and educational skills. Train & Earn programs are operated by community-based organizations throughout the five boroughs. Programs offer a combination of occupational skills training in high growth sectors and paid internships, along with academic support, comprehensive supportive services, and placement in employment or postsecondary education or training. A year of follow-up services is also provided.

NYC AGING

The NYC Aging (or “the Department”) administers a wide range of programs that enhance the independence and quality of life for the City’s older adult population. The Department’s services include older adult centers, home delivered meals, case management services, homecare services, transportation services, caregiver services, employment counseling and placement for older New Yorkers and an array of other aging services programming. NYC Aging serves as an advocate for the City’s older adult population through legislative activity and public policy initiatives.

Financial Review

The Department’s 2027 Executive Budget provides for operating expenses of \$577.1 million, of which \$472.2 million are City funds. In addition, the Department’s capital budget for 2027 through 2030 totals \$26.2 million, all of which are City funds.

Expense Budget Highlights

The Department’s 2027 Executive Budget acknowledges the current fiscal challenges facing the city, as well maintaining the crucial foundations for the city’s older adult population. This includes:

Additional funding for:

- \$9.3 million in Caregiver Expansion
- \$23.9 million of additional funding for Indirect Cost Rate
- \$9.5 million for Cost of Living Funding Adjustment

Summary of Agency Financial Data

The following table compares 2027 Executive Budget with the 2027 Preliminary Budget, the 2026 forecast and actual expenditures for 2025, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2025 Actual	2026 Forecast	2027		2026	2027
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$31,878	\$35,995	\$34,585	\$35,402	(\$593)	\$817
Fringe Benefits	—	—	—	—	—	—
OTPS	525,217	583,124	538,904	541,647	(41,477)	2,743
Total	\$557,095	\$619,119	\$573,489	\$577,049	(\$42,070)	\$3,560
Funding						
City	\$396,549	\$496,037	\$469,482	\$472,176	(\$23,861)	\$2,694
Other Categorical Grants	177	1,130	221	337	(793)	116
IFA	—	—	—	—	—	—
State	74,661	44,751	44,357	44,357	(394)	—
Federal CD	1,909	640	362	362	(278)	—
Federal Other	80,933	73,397	58,552	59,302	(14,095)	750
Intra-City Other	2,866	3,164	515	515	(2,649)	—
Total	\$557,095	\$619,119	\$573,489	\$577,049	(\$42,070)	\$3,560
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$13,216	\$14,726	\$16,102	\$14,999	\$273	(\$1,103)
Pensions	4,720	4,330	5,196	4,070	(260)	(1,126)
Other Than Personal Service (OTPS)						
Debt Service	—	—	—	—	—	—
Total Additional Costs	\$17,936	\$19,056	\$21,298	\$19,069	\$13	(\$2,229)
Funding						
City	17,618	18,788	20,778	18,641	(147)	(2,137)
Non-City	318	268	520	428	160	(92)
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$31,878	\$35,995	\$34,585	\$35,402	(\$593)	\$817
Fringe Benefits	13,216	14,726	16,102	14,999	273	(1,103)
Pensions	4,720	4,330	5,196	4,070	(260)	(1,126)
Total PS	\$49,814	\$55,051	\$55,883	\$54,471	(\$580)	(\$1,412)
OTPS	\$525,217	\$583,124	\$538,904	\$541,647	(41,477)	\$2,743
Debt Service	—	—	—	—	—	—
Total OTPS	\$525,217	\$583,124	\$538,904	\$541,647	(\$41,477)	\$2,743
Total Agency Costs	\$575,031	\$638,175	\$594,787	\$596,118	(\$42,057)	\$1,331
Less Intra-City	2,866	3,164	515	515	(2,649)	—
Net Agency Cost	\$572,165	\$635,011	\$594,272	\$595,603	(\$39,408)	\$1,331
Funding						
City	414,167	514,825	490,260	490,817	(24,008)	557
Non-City	157,998	120,186	104,012	104,786	(15,400)	774
Personnel (includes FTEs at fiscal year-end)						
City	226	248	253	245	(3)	(8)
Non-City	103	124	127	126	2	(1)
Total	329	372	380	371	(1)	(9)

Programmatic Review and Service Impact

Older Adult Centers

The core of NYC Aging is the citywide network of 315 Older Adult Centers, contracted at \$263.6 million in 2027, which every day offer older New Yorkers meals, socialization, recreation, benefits counseling, application assistance, and participation in a wide array of activities designed to improve their health and quality of life.

Case Management

Case management services connect homebound older adult to resources and benefits so that they may continue to live independently and safely in their homes. Following a case management assessment, eligible older adults may receive home delivered meals, homecare, and other benefits or services. Older adults are referred to case management providers from older adult centers, meal providers, hospitals and other community-based social service and health care agencies. In 2027, a contracted budget of \$57.6 million will support case management services. Most of the case management clients benefit from home-delivered meals services five days a week each year.

Home Delivered Meals

NYC Aging has 17 contracts for home delivered meals, which offer older adults the option of frozen, fresh-chilled, or hot meal deliveries. In 2027, a contracted budget of \$81.1 million will support 4.8 million home delivered meals. Home-delivered meals (HDM) program is a vital component in NYC Aging's network of services. Not only do HDMs provide sustenance to homebound older adults across the five boroughs, the interaction with the delivery person—which for many of our clients may be the only direct human interaction for the day—support our ongoing effort to combat social isolation which was exacerbated during the pandemic. This program continues to follow the strict guidance set by the State and is open to those who meet those criteria.

Naturally Occurring Retirement Communities

Naturally Occurring Retirement Communities (“NORCs”) are on-site collaborations among housing entities, social service providers, and healthcare networks to provide supportive services for older residents to help them remain independent and safe in their own homes. Currently, \$16.8 million is contracted to support 36 NORC programs for over 20,000 residents in the Bronx, Brooklyn, Manhattan, and Queens. NORC services include case assistance, transportation, health promotion, education and recreation, and nursing services.

Transportation Services

NYC Aging's independent transportation program aims to serve older adults who are unable to travel or access public transportation from becoming socially isolated and/or declining physically by assisting them in getting to and from places they need to go in their communities. Moreover, NYC Aging's transportation services program offers group transportation to enhance community engagement for seniors by offering recreational, social, and educational trips. Each year, NYC Aging has contracted \$7.3 million to support its transportation program which provides over 250,000 one-way trips citywide.

Caregiver Services

NYC Aging's caregiver support program offers support groups, counseling, trainings, outreach, and information services to unpaid caregivers. The caregiver program also offers options for respite care through homecare or participation in social adult day care. In addition, the program provides supplemental services which offer limited financial assistance with the purchase of needed assistive devices and other caregiver related expenses. These services help to ease the burden of families and other unpaid caregivers. In 2027, \$15.4 million has been contracted for the caregiver program.

Capital Review

The Department’s Four-Year Capital Plan for 2027-2030 totals \$26.2 million. The Four-year Capital Strategy includes funding to complete renovations and upgrades for the various senior centers around the city. Funds are provided to ensure the agency’s fire and safety infrastructure meet standards, and to ensure that necessary improvements for HVAC, masonry, roofing, electrical, and plumbing are completed.

Capital Commitments

(\$ in 000’s)

	2027 Plan		2028 Plan		2029 Plan		2030 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Capital Commitments.....	\$10,592	\$10,592	\$6,497	\$6,497	\$4,856	\$4,856	\$4,246	\$4,246
Total.....	\$10,592	\$10,592	\$6,497	\$6,497	\$4,856	\$4,856	\$4,246	\$4,246

Four-Year Capital Strategy Highlights

- The Department’s Four-Year Capital Strategy totals \$26.2 million for 2027-2030 and includes rehabilitation of older adult centers, with a focus on structural and accessibility issues (\$21 million) and computer and network upgrades and vehicle funding (\$5.2 million).

DEPARTMENT OF HEALTH AND MENTAL HYGIENE

The mission of the New York City Department of Health and Mental Hygiene (the Department, or DOHMH) is to protect and promote the health of all New Yorkers. The Department is committed to maintaining core public health and mental health services and continues to introduce new programs and technologies to protect and promote the health of all New Yorkers and to reduce health inequities between New York City neighborhoods, as we are all healthier when we live in a city that is healthy.

The Department will continue to target its public health activities towards those communities that bear a disproportionate share of physical and mental illness and premature death, relying on evidence-based and evidence-informed programs and interventions. The Department will pursue active engagement with communities, their organizations, institutions, and members, to continue to tackle the leading causes of death and disability.

The Office of Chief Medical Examiner (OCME) is responsible for investigating deaths resulting from criminal violence, accident, or suicide; that occur suddenly and when in apparent good health; when unattended by a physician; in a correctional facility or in custody of any criminal justice entity; or occurring in any suspicious or unusual manner or threat to public health. OCME provides additional forensic services through its laboratories, including DNA testing, to support investigations. OCME also manages all functions of the City mortuary, including the retrieval and processing of unclaimed decedents, and facilitates final disposition. Finally, OCME maintains a specialized mass fatality management team ready to support the City in responding to mass fatalities and other disasters.

Financial Review

Operating expenses total \$2.6 billion, a decrease of \$0.3 billion below the amount forecasted in 2026. Capital commitments of \$180.2 million are also provided, an increase of \$66.1 million above the 2026 Plan amount.

Revenue Forecast

The Department generates revenue from licenses, permits, inspection and service fees. In 2027, the Department will generate \$31.6 million in revenue from these sources.

Expense Budget Highlights

Program Enhancements

- Funding to establish a Health and Affordability Corps.
- Funding for sanitary inspection and grading for mobile food vending units across New York City.
- Funding to support resilience against infectious disease outbreaks.
- Funding for the “Groceries to Go” program that helps eligible food insecure New Yorkers purchase groceries for delivery or pick up.
- Funding to establish rapid STI testing in two additional Department of Health clinics.
- Funding to support tuberculosis case management.
- Investing in mobile treatment teams that provide care, treatment, and support to individuals with severe mental illness to ensure that New Yorkers have a continuum of care.
- Funding to support clubhouses, an evidence-based model for psychiatric rehabilitation that provides peer support and access to services for people experiencing severe mental illness.
- Funding for a syringe redemption program which provides incentives for the return of needles, syringes, and sharps at designated locations.
- Funding to support staffing at the New York City Office of Chief Medical Examiner.

Summary of Agency Financial Data

The following table compares 2027 Executive Budget with the 2027 Preliminary Budget, the 2026 forecast and actual expenditures for 2025, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2025 Actual	2026 Forecast	2027		2026	2027
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$607,142	\$685,485	\$654,068	\$684,759	(\$726)	\$30,691
Fringe Benefits	1,553	3,000	893	893	(2,107)	(0)
OTPS	1,843,466	2,211,227	1,857,467	1,957,908	(253,319)	100,441
Total	\$2,452,161	\$2,899,712	\$2,512,428	\$2,643,560	(\$256,152)	\$131,132
Funding						
City	\$1,344,896	\$1,477,908	\$1,454,789	\$1,543,143	\$65,235	\$88,354
Other Categorical Grants	18,181	128,581	33,466	52,085	(76,496)	18,619
IFA	—	—	—	—	—	—
State	601,897	826,323	722,062	736,961	(89,362)	14,899
Federal CD	—	4,801	—	—	(4,801)	—
Federal Other	468,537	438,538	291,024	300,284	(138,254)	9,260
Intra-City Other	18,650	23,561	11,087	11,087	(12,474)	—
Total	\$2,452,161	\$2,899,712	\$2,512,428	\$2,643,560	(\$256,152)	\$131,132
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$230,275	\$262,406	\$280,723	\$264,166	\$1,760	(\$16,557)
Pensions	96,267	83,162	99,214	77,708	(5,454)	(21,506)
Other Than Personal Service (OTPS)						
Debt Service	59,055	65,520	75,298	67,321	1,801	(7,977)
Total Additional Costs	\$385,597	\$411,088	\$455,235	\$409,195	(\$1,893)	(\$46,040)
Funding						
City	357,266	374,384	418,511	372,491	(1,893)	(46,020)
Non-City	28,331	36,704	36,724	36,704	—	(20)
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$607,142	\$685,485	\$654,068	\$684,759	(\$726)	\$30,691
Fringe Benefits	231,828	265,406	281,616	265,059	(347)	(16,557)
Pensions	96,267	83,162	99,214	77,708	(5,454)	(21,506)
Total PS	\$935,237	\$1,034,053	\$1,034,898	\$1,027,526	(\$6,527)	(\$7,372)
OTPS	\$1,843,466	\$2,211,227	\$1,857,467	\$1,957,908	(253,319)	\$100,441
Debt Service	59,055	65,520	75,298	67,321	1,801	(7,977)
Total OTPS	\$1,902,521	\$2,276,747	\$1,932,765	\$2,025,229	(\$251,518)	\$92,464
Total Agency Costs	\$2,837,758	\$3,310,800	\$2,967,663	\$3,052,755	(\$258,045)	\$85,092
Less Intra-City	18,650	23,561	11,087	11,087	(12,474)	—
Net Agency Cost	\$2,819,108	\$3,287,239	\$2,956,576	\$3,041,668	(\$245,571)	\$85,092
Funding						
City	1,702,162	1,852,292	1,873,300	1,915,634	63,342	42,334
Non-City	1,116,946	1,434,947	1,083,276	1,126,034	(308,913)	42,758
Personnel (includes FTEs at fiscal year-end)						
City	4,792	5,592	5,647	5,847	255	200
Non-City	1,490	1,731	1,572	1,582	(149)	10
Total	6,282	7,323	7,219	7,429	106	210

Programmatic Review and Service Impact

The NYC Health Department has a 220-year long history of serving all New Yorkers. The Health Department was established in 1805 during the yellow fever outbreak. In 1850, when the Department was still in its infancy, tuberculosis was the leading cause of death in New York City—and the average age of death was twenty.

By 1904, the Health Department began providing tuberculosis treatment at our public health clinics. Today, we are the main clinical provider for TB in New York City: we treat approximately half of all TB patients in the city and 75 percent of multi-drug-resistant cases.

TB is of course just one example. The New York City Health Department has been at the forefront of:

- The HIV/AIDS crisis of the 1980s and 90s.
- The COVID-19 pandemic response, including our historic vaccination campaign, which saved the lives of an estimated 48,000 New Yorkers.
- And the facilitation of access to safe and legal abortions for people nationwide who lost their constitutional right to end a pregnancy in 2022.

For 220 years, this agency has been a leader in public health—a field that has changed the course of human history. Yet, public health can be a difficult story to tell because our greatest successes are crises averted.

By consistently investing in the health of this city, we have given generations of New Yorkers decades of more life. Over the last 120 years, life expectancy in New York City has increased from the early forties to the early eighties.

At the Health Department, all of our work ladders up to one principal goal: To equitably raise New Yorkers' life expectancy to its highest-ever level of 83 years by 2030. Our HealthyNYC campaign was launched as an overarching framework for how New York City should approach health. In great news, the NYC Health Department and our HealthyNYC initiative has already met its 2030 life expectancy goal, with New Yorkers' life expectancy reaching 83.2 years in 2024.

The overall increase of life expectancy is largely attributable to a sharp decline in COVID-19 death rates

across all racial and ethnic groups, although major racial inequities persist among other leading causes of death. The decline in COVID-19 related deaths did not happen on its own; it was a result of a complete citywide government response to the pandemic, significant investments to reduce racial inequities, and a groundbreaking COVID-19 vaccination campaign, among other interventions.

Other notable declines included a 26.4 percent decline in homicides and an 18.2 percent decline in overdose deaths.

Reducing maternal mortality is among our top strategic priorities and a HealthyNYC goal. Last year, the Health Department published our latest five-year analysis of maternal mortality in New York City. While maternal deaths did not increase, that data found that Black women and Black people who give birth are six times more likely to die of a pregnancy-related cause than their white counterparts. On the programmatic side, more than 20,000 families have been served by our Nurse Home Visiting and Doula Support since it launched in 2021. The program has nurses, doulas, and community health workers visit parents who are pregnant or have young children.

Another element of the Health Department is its focus on chronic diseases, which continue to be the leading cause of death in New York City.

In FY 2026, the Health Department and multiple city agencies released Active Design Guidelines 2.0: Designing for Health and Equity, which is a plan to equitably improve the health of New Yorkers through the design of the city's-built environment. The guidelines provide strategies to design streets, neighborhoods, and buildings to promote public health.

Reducing overdose deaths is a major HealthyNYC goal. This year, the Health Department distributed more than 250,000 naloxone kits and more than 50,000 fentanyl test strips to prevent overdose deaths.

Infectious disease prevention is the core work of the Health Department and is part of its invisible shield to protect New Yorkers. For example, we monitor nearly 100 diseases daily and distribute more than 2.5 million doses of pediatric vaccines to over 1,200 different healthcare providers.

Every piece of the work at the Health Department requires sustained funding to be successful. In public

health, we often see a ‘boom and bust’ cycle of funding, where money swells during emergencies and dries up in the aftermath.

We are no longer in the COVID funding boom. Our pandemic response was bolstered with temporary Federal funding. Yet, public health risks continue. COVID-19 is no longer our most urgent concern, but:

- Chronic disease.
- Vaccine-preventable diseases.
- Overdose.
- And Black maternal mortality are threats today.

New York City is heading into what promises to be a very challenging period for public health—it is absolutely imperative that the New York City Health Department continues to build on our legacy of leadership in the field. No matter what lies ahead, we are committed to protecting and promoting the health of every New Yorker, without exception.

Mental Hygiene

The Division of Mental Hygiene aims to (1) decrease morbidity and premature mortality, (2) use preventive measures to promote mental wellness and wellbeing, and (3) promote community participation among all New Yorkers, including those experiencing or affected by: mental health conditions; intellectual and developmental disabilities; substance use; and/or intersections with the criminal legal system. The Division prioritizes promoting the understanding that environmental and social factors perpetuate health inequities and increasing access to quality healthcare across the lifespan of all New Yorkers. In FY 2026, Mental Hygiene:

- Expanded Relay, the Health Department’s peer-led emergency department based non-fatal overdose program, with an additional location at Wyckoff Heights Medical Center in Bushwick, bringing the total number of Relay hospitals to 16 across the city.
- Distributed up to 250,000 naloxone kits and 50,000 fentanyl test strips to prevent overdose.
- Provided mental health care to more than 6,300 NYC teens, across all five boroughs, primarily in TRIE neighborhoods since the launch of NYC Teenspace,

which provides free mental health support to any teenager ages 13 to 17 living in NYC.

- Maintained Intensive Mobile Treatment (IMT) capacity up to 972 individuals at one time. IMT provides long term mental health and substance use treatment and support services to adults with complex needs cycling in and out of institutional care, such as hospital, shelter, and jail.
- Received 21 percent more referrals through the Health Department’s Single Point of Access (SPOA) program to rehabilitative programs like clubhouse, assisted competitive employment, and peer advocacy as a complement or alternative to mobile treatment or care coordination services this year.
- Added 739 new units of Supportive Housing that are available to New Yorkers with or at risk of developing SMI and/or substance use disorder, bringing our overall supportive housing portfolio to more than 13,000 units open and available
- Launched the agency’s Response and Engagement Team (RET), designed to engage New Yorkers throughout NYC as part of the City’s efforts to raise mental health awareness and support community members after traumatic events. RET has provided over 17,600 New Yorkers with educational materials, psychological first aid, and assistance connecting with mental health services and social resources.
- Expanded the Perinatal and Early Childhood Mental Health Network (P+ECMH Network), a network of clinics that provides family focused mental health services and peer support to pregnant and postpartum people, children under five, and their families and also provides workforce development training to build the skills of perinatal and early childhood professionals to support mental health and well-being. This expansion will serve additional families, increase the number of trainings offered, create specialized post-partum mental health certifications, and establish a three-year P+ECMH fellowship.

Center for Healthy Equity & Community Wellness

The Center for Health Equity and Community Wellness (CHECW) seeks to eliminate racial and other inequities resulting in premature mortality. CHECW addresses inequity across community and health systems in partnership with community, faith-based, and health care organizations. CHECW’s work

focuses on social determinants of health, including environmental and commercial determinants, and addresses both upstream and downstream factors to improve the health and well-being of New Yorkers. In FY 2026, CHECW:

- Equipped 138 community health workers as part of our Public Health Corps last year to focus on chronic disease prevention. From July 1 – December 31, 2025, there were 562 community engagement events and 17,567 community encounters across 42 TRIE zip codes.
- Unveiled the Health Care Price Comparison Tool in December 2025, enabling New Yorkers to compare prices for 33 common health care services across hospitals and clinics. This tool promotes transparency and accountability in health care costs, empowering residents to make informed decisions.
- Launched the Neighborhood Stress-Free Zone (NSFZ) pilot in Brownsville, Brooklyn, in September 2025 to address maternal health inequities. This initiative provides stigma-free access to maternal health education, mental health services, and social support for pregnant and postpartum New Yorkers, with a focus on reducing maternal mortality and improving birth outcomes.
- Released the "Racial and Ethnic Inequities in Wealth and Health" study that looked at disparities in wealth and health outcomes among New Yorkers. This first-of-its-kind study, conducted by the NYC Health Department in collaboration with CUNY and Duke University, highlights the strong link between wealth and health, emphasizing systemic barriers faced by Black and Latino communities and their impact on health despite higher wealth. The study aims to inform policies that reduce wealth inequities, improve health outcomes, and promote racial equity across the city.

Disease Control

The mission of the Disease Control Division is to safeguard the health of New Yorkers through identification, surveillance, treatment, control, and prevention of nearly 100 infectious diseases. It is one of the largest Divisions at the Health Department with more than 1,500 staff and includes seven bureaus: Bureau of Communicable Diseases; Bureau of Hepatitis, HIV, and Sexually Transmitted Infections; Bureau of Tuberculosis Control; Bureau of Immunization; Bureau of Public Health Clinics; Public Health Laboratory;

and Bureau of Division Management and Systems Coordination. In FY 2026, Disease Control:

Expanded Sexual Health Clinic services

- The Health Department Sexual Health Clinic staff provided 77,196 patient visits (on-site or via Sexual Health hotline) for 44,961 unique patients in CY 2025.
- Continued the \$10.5 million dollar renovation of the Corona Clinic.
- Expanded Medication Abortion and LARC services at the Fort Greene Public Health Clinic.
- Ran a paid media campaign to promote the health care services of the sexual health clinics, which was first run in June 2025, will run again in June 2026.

Promoted vaccines

- In CY 2025, the Health Department distributed more than 2.5 million doses of pediatric vaccines to more than 1,200 healthcare providers across NYC as part of the Vaccines for Children program, which helps ensure all children in NYC have access to vaccines.
- Launched the 'Don't Miss Out' paid respiratory virus prevention paid media campaign in December 2025 to promote Flu, COVID, and RSV vaccines, and in March 2026 the 'Ask Questions, Get Answers, Vaccinate' paid media campaign to promote childhood vaccinations.

Environmental Health

The Division of Environmental Health prevents and controls illness and injury related to environmental and occupational health risks through outreach and education, surveillance, and enforcement. Environmental Health permits and inspects facilities including restaurants, mobile food carts and trucks, child care centers, beaches and pools; monitors air and drinking water quality; addresses the impact of our changing climate on health; investigates and prevents elevated blood lead levels; oversees the city's animal shelter system; controls mosquitoes and rats; and promotes housing quality, among other environmental health activities. In FY 2026, Environmental Health:

- Promoted food safety compliance and conducted enforcement and oversight, including inspections, for more than 30,000 food service establishments—

including restaurants, school cafeterias, and food carts and trucks across the city.

- Conducted health and safety inspections, ensured staff have background clearance, and required health and safety trainings to protect the more than 400,000 children in New York City child care.
- Received more than 80,000 calls to the NYC Poison Center to provide treatment advice and information about potential poisons and medicine safety.
- Monitored mosquito populations for West Nile Virus and emerging diseases and conducted testing of ticks for emerging diseases in NYC as the risk of vector borne illnesses will likely increase as our climate warms.
- Addressed rat conditions proactively through:
 - Completion of approximately 150,000 initial rat inspections, and follow-up compliance inspections on those that fail.
 - Continued work in four Rat Mitigation Zones to perform proactive inspections of every property, work with owners and agencies to correct conditions, offer case management and technical assistance, and provide public education.
- Conducted Rat Academies and Rat Walks to educate the public and pest management professionals on how to prevent rats on properties and urban gardens.

Office of Emergency Preparedness and Response

The Office of Emergency Preparedness and Response (OEPR) advances the Health Department and NYC's ability to prevent, prepare for, respond to, and recover from the health impact of emergencies by partnering with City agencies, the health care sector, and community stakeholders. The Health Department envisions a healthy, resilient city in which all New Yorkers are able to achieve and maintain optimal and equitable health outcomes before, during, and after emergencies. In FY 2026, Emergency Preparedness and Response:

- Conducted four tabletop exercises with agency and Incident Command System (ICS) leadership in 2025 to test and improve emergency plans.
- Implemented the Living Stockpile Program, a sustainable solution to the personal protective

equipment (PPE) supply chain vulnerabilities identified during the COVID-19 pandemic. The program ensures NYC healthcare facilities have immediate access to non-expired PPE, and saves money by reducing upfront procurement, labor, and long-term storage costs.

- Launched the Citywide Emergency Responder Management System (CERMS) which now holds and manages the information on over 22,000 NYC staff and Medical Reserve Corps (MRC) volunteers who are willing to respond to emergencies in NYC. Recruitment to increase this number is conducted every six months.
- Coordinated the planning and conduct of the Medical Response and Surge Exercise (MRSE) to test the NYC healthcare system's response to a city-wide mass casualty incident (MCI) scenario, with participation from the NYC hospitals, Greater New York Hospital Association, New York City Emergency Management, and the Fire Department of New York.

Center for Population Health Data Science

The Center for Population Health Data Science (CPHDS) leads the Health Department's Data Modernization Initiative, which has been laying the groundwork for a future in which public health systems are seamlessly integrated, data are accessible and actionable, and staff are empowered with modern tools to make informed decisions faster and more effectively. Three bureaus, Epidemiology Services, Vital Statistics, and the World Trade Center Health Registry, conduct essential data collection, health monitoring, and service delivery that have anchored public health for generations. The Data Technology and Strategy bureau builds the enabling infrastructure by integrating legacy systems, standardizing data across silos, embedding equity metrics into data architecture, and deploying AI/advanced analytics to support evidence-based decision-making. Our vision is to create a continuously learning public health system that harnesses data and technology to deliver responsive services, advance health for all, and drive equitable outcomes. CPHDS:

- Issues more than one million copies of birth and death certificates annually.
- Completes about 68,000 amendments to certificates, such as adding the name of a parent, or changes related to adoptions and court orders annually.

- Connects with approximately 209,000 New Yorkers through health-related surveys:
 - World Trade Center Health Registry: 71,000
 - Community Health Survey: 90,000
 - Middle School YRBS: 3,500
 - High School YRBS: 11,000
 - NYC health panel: 34,200
- Assesses assets and debts through a wealth gap survey among New Yorkers to understand relationships between health and wealth across racial/ethnic groups.
- Publishes new public-facing data products including:
 - Provisional Birth and Death Data allowing for more timely estimates with faster ongoing updates.
 - Respiratory Illness Data page combining COVID-19, RSV, and influenza data to improve findability and interpretability, align with reporting norms, and reduce ad hoc reporting and data requests.

Family and Child Health

The Division of Family and Child Health works to improve the health of children, women and families in New York City throughout the life cycle, with an emphasis on reducing health disparities and advancing equity. The Division's diverse and expansive portfolio of work includes providing home visits to new parents, caring for acute and chronic conditions in school children, and engaging communities around promoting sexual and reproductive justice, including abortion access. Four bureaus comprise the Division: Bureau of Maternal, Infant and Reproductive Health; Bureau of Early Intervention; Office of School Health; and the Bureau of Administration. In FY 2026, Family and Child Health:

- Provided more than 30,000 children and their caregivers with developmental services (including occupational therapy, speech therapy, and physical therapy) through our early intervention program.
- Served more than 20,000 families by our New Family Home Visiting Program since it launched in 2021.

The program has nurses, doulas, and community health workers visit parents who are pregnant or have young children.

- Connected more than 14,000 patients to abortion care in New York City through the NYC Abortion HUB between its launch in November 2022 through January 2026. Of the 25 percent of callers/texters from out of state, 75 percent of patients were from Texas, Georgia, and Florida.

Office of Chief Medical Examiner

The role of the Office of Chief Medical Examiner (OCME) is to protect public health and to serve impartial justice through forensic science and medicine. OCME's independent investigations of deaths and analysis of evidence provide answers in support of families and communities during times of profound need.

OCME is responsible for investigating deaths resulting from criminal violence, accident, or suicide; that occur suddenly and when in apparent good health; when unattended by a physician; in a correctional facility or in custody of any criminal justice entity; or occurring in any suspicious or unusual manner or threat to public health. These types of cases are referred to as being under "Medical Examiner jurisdiction."

This work is accomplished through the efforts of forensic pathologists at two OCME forensic pathology centers and supported by the agency's five state-of-the-art forensic laboratories. OCME also reviews all applications for permits to cremate the body of a person who dies in New York City.

OCME created the Drug Intelligence & Intervention Group (DIIG), a first-of-its kind model for expanded comprehensive death investigations that is coupled with navigation to care and services for family and social networks surrounding fatalities relating to the opioid crisis. Through this initiative, when someone dies from an overdose, OCME's investigation and response now includes skilled social workers and public health professionals to engage with that person's family and friends who may also be at risk, and to provide support and a "warm handoff" to potentially lifesaving interventions to a wide range of services, including grief and bereavement support, mental health and substance use counseling, health care, and housing support.

OCME provides additional forensic services, including DNA testing to support criminal justice investigations. OCME houses the nation’s largest public forensic DNA laboratory, responsible for performing DNA analysis on nearly every category of crime occurring in the City, including homicide, rape, property crime, and weapons and gun cases, as well as missing persons investigations.

OCME created the first in the nation, DNA Gun Crimes Unit (GCU) with scientists and equipment dedicated exclusively to DNA testing of gun crimes evidence. The GCU maintains a turnaround time of under 30-days for processing samples, which is the fastest of any major jurisdiction in the country.

OCME is the custodian of all unclaimed or unidentified World Trade Center (WTC) remains and

continues to make additional identifications of victims of the World Trade Center attacks as new advances in science and technology permit.

Finally, OCME maintains a specialized emergency mass fatality management team ready to support the City in responding to mass fatalities and other disasters, as demonstrated by the agency’s successful citywide response to the COVID-19 pandemic, the largest mass fatality incident in the modern history of New York City.

Following OCME’s role as mass fatality response lead for the city during the pandemic, the agency has continued to experience a sustained increase in our caseload across all operational areas post pandemic. OCME has adjusted operations to accommodate.

Capital Review

The 2027-2030 Four-Year Capital Strategy totals \$417 million. The plan includes allocations for renovating facilities, new construction, information technology improvements, and the purchase of equipment. The focus of the Department’s Four-Year Capital Strategy is to identify, prioritize and support immediate needs for code compliance and other renovations at the City’s public health facilities and technology investments that are essential in providing critical public health services.

The table below reflects actual capital commitments for 2025 and planned capital commitments over the 2026-2030 period by program area.

**Capital Commitments
(\$ in 000’s)**

	2025 Actual		2026 Plan		2027 Plan		2028 Plan		2029 Plan		2030 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Administration	\$1,648	\$1,648	\$311	\$311	\$889	\$889	\$—	\$—	\$—	\$—	\$—	\$—
Animal Care	\$4,607	\$4,607	\$17,823	\$17,823	\$6,473	\$6,473	\$—	\$—	\$—	\$—	\$—	\$—
Renovations.....	\$2,544	\$2,544	\$38,268	\$38,378	\$52,749	\$52,749	\$57,202	\$57,202	\$33,063	\$33,063	\$23,979	\$23,979
Equipment.....	\$7,991	\$7,985	\$7,212	\$7,222	\$31,926	\$32,093	\$8,314	\$11,961	\$39,003	\$39,003	\$4,897	\$4,897
Information Technology.....	\$3,259	\$3,662	\$15,142	\$17,454	\$4,812	\$11,074	\$12,800	\$13,327	\$7,539	\$12,188	\$10,470	\$16,921
Laboratories	\$7,361	\$7,387	\$25,503	\$29,379	\$34,201	\$39,484	\$—	\$—	\$—	\$—	\$4,010	\$4,010
OCME.....	\$11,911	\$11,911	\$3,499	\$3,499	\$37,448	\$37,448	\$6,176	\$6,176	\$5,993	\$5,993	\$8,188	\$8,188
Total	\$39,321	\$39,744	\$107,758	\$114,066	\$168,498	\$180,210	\$84,492	\$88,666	\$85,598	\$90,247	\$51,544	\$57,995

Highlights of the 2027-2030 Four-Year Plan Capital Strategy:

The Department's 2027-2030 Four-Year Capital Strategy features several important projects, including:

- Renovation of various public health facilities (\$79.4 million).
- Information technology improvements, which include upgrades to the Department's network and security and systems, and the purchase of critical technologies needed to maintain and improve services (\$62.5 million).
- A new Public Health Laboratory (\$43.5 million).
- A new animal care center in the Bronx, upgrades to the animal care center in Brooklyn, and other animal welfare investments (\$6.5 million).
- Purchase of vehicles, lab equipment, and upgrades of IT infrastructure within the Office of Chief Medical Examiner (\$36.9 million).
- Physical security upgrades for the Office of Chief Medical Examiner (\$20.4 million).

FIRE DEPARTMENT

The Fire Department is responsible for protecting the lives and property of the citizens of New York City while responding to fire, medical and other emergencies, and investigating building hazards. The Fire Department extinguishes fires, promotes fire prevention awareness, investigates suspicious fires, provides ambulance and emergency medical services, and conducts building safety inspections. The Department currently has 357 fire units that provide fire, rescue, and emergency medical services. The agency also promotes fire prevention through public outreach and enforcement of New York City's Fire Code. The Department's Fire Marshals investigate fires and apprehend arsonists. The Bureau of Emergency Medical Services (EMS), assisted by the Certified First Responder (CFR) trained personnel responding from engine companies, provides pre-hospital emergency medical care and ambulance transport, where required.

Financial Review

The Fire Department's 2027 Executive Budget provides for operating expenses of \$2.7 billion, a decrease of \$165 million from the amount forecasted for 2026. This variance is driven largely by Federal grant funding that has not been reflected in 2027 and a lower allocation in 2027 for uniformed operations.

Capital commitments of \$230 million are also provided in 2027. This represents a decrease of \$24 million from the amount forecasted for 2026. The 2027 forecast is lower primarily due to lower planned commitments for vehicles and equipment.

Revenue Forecast

The Fire Department issues permits and collects fees for the inspection of fire suppression and electrical systems, places of public assembly, laboratories, high-rise buildings, review of fire protection plans, and the storage and use of combustible materials. In addition,

the Department realizes revenues from fees charged to private fire alarm companies and to out-of-state fire insurers that issue policies in New York City. In 2027, the revenue estimate for the Fire Department is \$108 million.

The Department also collects revenue from Emergency Medical Services (EMS) ambulance transports. In 2027, total EMS revenue is projected at \$343 million.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- Continue to provide fire extinguishment and rescue services, investigate suspicious fires, promote fire prevention, and conduct building safety inspections.
- Continue to provide on-site emergency medical care and ambulance transport services Citywide.

Summary of Agency Financial Data

The following table compares 2027 Executive Budget with the 2027 Preliminary Budget, the 2026 forecast and actual expenditures for 2025, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2025 Actual	2026 Forecast	2027		2026	2027
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$2,469,966	\$2,449,600	\$2,368,150	\$2,383,230	(\$66,370)	\$15,080
Fringe Benefits	19,697	34,457	27,812	27,850	(6,607)	38
OTPS	354,130	350,962	249,828	258,485	(92,477)	8,657
Total	\$2,843,793	\$2,835,019	\$2,645,790	\$2,669,565	(\$165,454)	\$23,775
Funding						
City	\$2,500,651	\$2,492,430	\$2,209,969	\$2,290,544	(\$201,886)	\$80,575
Other Categorical Grants	258,692	255,579	400,488	343,688	88,109	(56,800)
IFA	697	567	567	567	—	—
State	4,341	3,930	1,835	1,835	(2,095)	—
Federal CD	—	—	—	—	—	—
Federal Other	76,036	81,540	32,925	32,925	(48,615)	—
Intra-City Other	3,376	973	6	6	(967)	—
Total	\$2,843,793	\$2,835,019	\$2,645,790	\$2,669,565	(\$165,454)	\$23,775
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$1,103,820	\$1,190,495	\$1,282,268	\$1,208,074	\$17,579	(\$74,194)
Pensions	1,681,595	1,604,781	1,807,578	1,468,049	(136,732)	(339,529)
Other Than Personal Service (OTPS)						
Debt Service	188,079	245,144	281,728	246,259	1,115	(35,469)
Total Additional Costs	\$2,973,494	\$3,040,420	\$3,371,574	\$2,922,382	(\$118,038)	(\$449,192)
Funding						
City	2,929,439	2,960,947	3,345,984	2,843,993	(116,954)	(501,991)
Non-City	44,055	79,473	25,590	78,389	(1,084)	52,799
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$2,469,966	\$2,449,600	\$2,368,150	\$2,383,230	(\$66,370)	\$15,080
Fringe Benefits	1,123,517	1,224,952	1,310,080	1,235,924	10,972	(74,156)
Pensions	1,681,595	1,604,781	1,807,578	1,468,049	(136,732)	(339,529)
Total PS	\$5,275,078	\$5,279,333	\$5,485,808	\$5,087,203	(\$192,130)	(\$398,605)
OTPS	\$354,130	\$350,962	\$249,828	\$258,485	(\$92,477)	\$8,657
Debt Service	188,079	245,144	281,728	246,259	1,115	(35,469)
Total OTPS	\$542,209	\$596,106	\$531,556	\$504,744	(\$91,362)	(\$26,812)
Total Agency Costs	\$5,817,287	\$5,875,439	\$6,017,364	\$5,591,947	(\$283,492)	(\$425,417)
Less Intra-City	3,376	973	6	6	(967)	—
Net Agency Cost	\$5,813,911	\$5,874,466	\$6,017,358	\$5,591,941	(\$282,525)	(\$425,417)
Funding						
City	5,430,090	5,453,377	5,555,953	5,134,537	(318,840)	(421,416)
Non-City	383,821	421,089	461,405	457,404	36,315	(4,001)
Personnel (includes FTEs at fiscal year-end)						
City	17,422	17,618	17,482	17,640	22	158
Non-City	147	123	120	120	(3)	—
Total	17,569	17,741	17,602	17,760	19	158

Programmatic Review and Service Impact

The Department expects that fire engine and ladder companies will respond over 1.1 million times to fires and other emergencies in 2027. The Department’s Citywide response time to structural fires is projected to be about four minutes and 44 seconds in 2027. The Department anticipates that it will respond to over 1.6 million medical incidents in 2027.

Fire Extinguishment

The Fire Department currently provides fire and rescue operations via 357 units consisting of 197 engine companies, 143 ladder companies, eight squads, five rescue units, three marine companies, and one hazardous materials unit.

Emergency Medical Services

The Department is budgeted for 851 daily ambulance tours. Engine company personnel have received CFR training, and re-certification continues for those whose initial certification will expire.

Capital Review

The 2027-2030 Four-Year Capital totals \$615 million. This funding will be used for the purchase of fire-fighting apparatus, support vehicles, fire suppression and emergency medical equipment, the renovation and modernization of firehouses and other facilities, and the upgrade and replacement of computer and communications systems. The table below reflects capital commitments by program area over the 2027-2030 period.

**Capital Commitments
(\$ in 000’s)**

	2025 Actual		2026 Plan		2027 Plan		2028 Plan		2029 Plan		2030 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Communications	\$256	\$1,414	\$1,655	\$44,294	\$2,956	\$4,229	\$3,370	\$3,370	\$2,682	\$2,682	\$500	\$500
Electronic Data Processing	\$20,419	\$20,419	\$6,416	\$6,416	\$5,952	\$5,952	\$5,614	\$5,614	\$2,085	\$2,085	\$12,012	\$12,012
Reconstruction/Modernization of Facilities	\$38,061	\$38,435	\$109,233	\$111,635	\$175,424	\$176,348	\$126,585	\$126,585	\$68,083	\$68,083	\$70,693	\$70,693
Vehicles and Equipment	\$99,809	\$99,806	\$91,253	\$91,253	\$43,148	\$43,148	\$40,733	\$40,733	\$32,068	\$32,068	\$21,244	\$21,244
Total	\$158,546	\$160,074	\$208,557	\$253,598	\$227,480	\$229,677	\$176,302	\$176,302	\$104,918	\$104,918	\$104,449	\$104,449

Highlights of the 2027-2030 Four-Year Plan

- The construction and rehabilitation of firehouses, EMS stations, and support facilities, including renovation of building components such as boilers, electrical systems, kitchens, roofs, bathrooms, waterproofing, apparatus doors, floors, and windows (\$442 million).
- The replacement of front-line fire-fighting apparatus according to mandated replacement cycles as well as support vehicles and equipment (\$137 million).
- The replacement of radios and other communications equipment (\$11 million).
- The replacement and upgrade of information technology equipment and systems (\$26 million).

The 2027 Plan for the Department totals \$230 million, and highlights include:

- The construction and rehabilitation of firehouses, EMS stations, and support facilities, including renovation of building components such as boilers, electrical systems, kitchens, roofs, bathrooms, waterproofing, apparatus doors, floors, and windows (\$176 million).
- The replacement of front-line fire-fighting apparatus according to mandated replacement cycles as well as support vehicles and equipment (\$43 million).
- The replacement of radios and other communications equipment (\$4 million).
- The replacement and upgrade of information technology equipment and systems (\$6 million).

DEPARTMENT OF SANITATION

As one of the oldest and largest public solid waste organizations in the United States, the Department of Sanitation maintains sanitary conditions and enforces sanitary compliance through street cleaning and the collection, management, recycling, and disposal of municipal solid waste in the City's 59 Community Districts.

Financial Review

The Department of Sanitation's 2027 Executive Budget provides for operating expenses of \$2.1 billion, a decrease of \$249 million from the 2026 forecast, largely due to a lower allocation for snow removal.

Capital commitments of \$211 million are also provided in 2027, a decrease of \$233 million from the 2026 Plan amount, primarily due to lower planned commitments for the purchase of equipment.

Revenue Forecast

The Department of Sanitation generates revenue from contracts for the removal of abandoned vehicles from City streets and property, from the sale of recycled paper and metal to private processors, Commercial Waste Zone administrative fees, and from an assortment of miscellaneous fees and minor sales. The

Department's 2027 revenue estimate is \$23.4 million from these sources.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- Continue to provide curbside and containerized refuse and recycling collection service to residential properties and eligible institutions.
- Continue maintaining the cleanliness of the City by sweeping approximately 6,300 miles of streets and collecting waste from 25,000 litter baskets located at street corners Citywide.
- Respond to winter weather emergencies and keep the City's streets clear of snow and ice.

Summary of Agency Financial Data

The following table compares 2027 Executive Budget with the 2027 Preliminary Budget, the 2026 forecast and actual expenditures for 2025, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2025 Actual	2026 Forecast	2027		2026	2027
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$1,207,743	\$1,374,321	\$1,271,243	\$1,283,447	(\$90,874)	\$12,204
Fringe Benefits	\$43,325	\$43,247	\$45,171	\$45,696	\$2,449	\$525
OTPS	\$806,872	\$942,494	\$760,137	\$782,240	(\$160,254)	\$22,103
Total	\$2,057,940	\$2,360,062	\$2,076,551	\$2,111,383	(\$248,679)	\$34,832
Funding						
City	\$1,842,938	\$2,338,029	\$2,060,702	\$2,095,534	(\$242,495)	\$34,832
Other Categorical Grants	2,915	1,412	750	750	(662)	—
IFA	6,177	6,215	6,215	6,215	—	—
State	—	275	—	—	(275)	—
Federal CD	—	—	—	—	—	—
Federal Other	200,074	2,000	—	—	(2,000)	—
Intra-City Other	5,836	12,131	8,884	8,884	(3,247)	—
Total	\$2,057,940	\$2,360,062	\$2,076,551	\$2,111,383	(\$248,679)	\$34,832
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$584,969	\$650,274	\$694,320	\$660,395	\$10,121	(\$33,925)
Pensions	321,123	330,680	341,993	345,869	15,189	3,876
Other Than Personal Service (OTPS)						
Debt Service	264,383	306,679	352,446	302,688	(3,991)	(49,758)
Total Additional Costs	\$1,170,475	\$1,287,633	\$1,388,759	\$1,308,952	\$21,319	(\$79,807)
Funding						
City	1,163,600	1,275,514	1,381,639	1,297,278	21,764	(84,361)
Non-City	6,875	12,119	7,120	11,674	(445)	4,554
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$1,207,743	\$1,374,321	\$1,271,243	\$1,283,447	(\$90,874)	\$12,204
Fringe Benefits	628,294	693,521	739,491	706,091	12,570	(33,400)
Pensions	321,123	330,680	341,993	345,869	15,189	3,876
Total PS	\$2,157,160	\$2,398,522	\$2,352,727	\$2,335,407	(\$63,115)	(\$17,320)
OTPS	\$806,872	\$942,494	\$760,137	\$782,240	(\$160,254)	\$22,103
Debt Service	264,383	306,679	352,446	302,688	(3,991)	(49,758)
Total OTPS	\$1,071,255	\$1,249,173	\$1,112,583	\$1,084,928	(\$164,245)	(\$27,655)
Total Agency Costs	\$3,228,415	\$3,647,695	\$3,465,310	\$3,420,335	(\$227,360)	(\$44,975)
Less Intra-City	5,836	12,131	8,884	8,884	(3,247)	—
Net Agency Cost	\$3,222,579	\$3,635,564	\$3,456,426	\$3,411,451	(\$224,113)	(\$44,975)
Funding						
City	3,006,538	3,613,543	3,442,341	3,392,812	(220,731)	(49,529)
Non-City	216,041	22,021	14,085	18,639	(3,382)	4,554
Personnel (includes FTEs at fiscal year-end)						
City	9,924	9,913	9,844	9,995	82	151
Non-City	49	58	58	58	—	—
Total	9,973	9,971	9,902	10,053	82	151

Programmatic Review and Service Impact

The Department's two principal operational divisions are the Bureau of Cleaning and Collection (BCC) and the Bureau of Solid Waste Management (SWM). The Bureau of Motor Equipment (BME) and the Bureau of Building Management (BBM) provide support operations.

Recycling and Sustainability

The Department continues its efforts to reduce the quantity of solid waste that must be disposed of. The Department currently operates a dual-stream recycling program that requires residents to separate metal, glass, and plastic (MGP) from paper and place it in bins, bags, or bundles.

In 2026, the paper recycling program is anticipated to generate an average of \$13.50 of revenue per ton from various vendors, or \$4.1 million.

The Department operates a Citywide curbside organics collection program, which diverts waste from landfills by establishing a separate waste stream for food scraps, yard waste, and other compostable materials.

Bureau of Cleaning and Collection

The Bureau of Cleaning and Collection (BCC) is primarily responsible for collecting household refuse and recyclables, cleaning City streets, and enforcing recycling regulations and portions of the City's health and administrative codes. During the winter, BCC is also responsible for the removal of snow from City streets. Currently, BCC provides refuse collection services two to three times a week depending on the population density of the community.

Bureau of Solid Waste Management

The Bureau of Solid Waste Management (SWM) is responsible for the receipt, transfer, transportation, and final disposal of refuse through operating waste transfer stations and through its waste export contracts. Refuse is transported out of New York City primarily by barge and rail. SWM is also responsible for the post-closure care of Fresh Kills landfill.

Bureau of Motor Equipment

The Bureau of Motor Equipment (BME) provides services related to the acquisition, repair, and maintenance of the Department's equipment including collection trucks, street sweepers, salt spreaders, snow melters, front-end loaders, and other vehicles and equipment. BME operates an extensive network of repair and maintenance facilities. This Bureau researches and develops equipment specifications to improve productivity, vehicle design, and to take advantage of the newest technologies including alternative fuel vehicles and emissions-reducing exhaust after-treatments.

Sanitation Facilities

The Bureau of Building Management (BBM) provides facility management services. BBM provides maintenance and emergency repair work for the Department's facilities.

The Bureau of Facilities Planning and Engineering oversees the Department's capital construction and reconstruction projects. The Department is funded to construct a replacement for the aging Bronx 9, 10, and 11 garage complex. The Department also has funding to construct a new garage for Queens 1 on a site located within that district.

Capital Review

The Department’s 2027-2030 Capital Plan totals \$1.1 billion. The Plan provides the Department with funding to construct, rehabilitate, purchase, and develop the necessary infrastructure and assets to support refuse collection, recycling, cleaning, waste disposal, and support operations. The Department’s Capital Plan consists of four components — equipment purchases; solid waste management infrastructure; garage and facility rehabilitation, site acquisition, and construction; and information technology and telecommunications.

To support the Department’s collection and cleaning operations, garages and facilities will be constructed and rehabilitated. The Department continues to replenish its fleet, including collection trucks, mechanical brooms, and salt spreaders in order to support operations.

The table below shows capital commitments by program area over the 2027-2030 period.

Capital Commitments
(\$ in 000’s)

	2025 Actual		2026 Plan		2027 Plan		2028 Plan		2029 Plan		2030 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Solid Waste Management	\$10,499	\$10,499	\$10,883	\$10,883	\$14,839	\$14,839	\$12,627	\$12,627	\$9,033	\$9,033	\$7,491	\$7,491
Garages and Facilities	\$52,204	\$52,755	\$52,583	\$62,191	\$59,922	\$65,772	\$31,117	\$31,117	\$65,244	\$65,244	\$100,638	\$100,638
Equipment	\$207,641	\$206,895	\$353,718	\$361,565	\$123,584	\$124,295	\$180,706	\$180,706	\$265,322	\$265,322	\$193,925	\$193,925
Information Technology and Telecommunications	\$7,343	\$7,343	\$8,827	\$8,827	\$5,642	\$5,642	\$4,491	\$4,491	\$8,086	\$8,086	\$5,284	\$5,284
Total	\$277,687	\$277,492	\$426,011	\$443,466	\$203,987	\$210,548	\$228,941	\$228,941	\$347,685	\$347,685	\$307,338	\$307,338

Highlights of the 2027-2030 Four-Year Capital Plan

- Construction and reconstruction of garages and facilities (\$263 million).
- Solid waste management infrastructure (\$44 million).
- Replacement of vehicles and other equipment (\$764 million).
- Information technology and telecommunications (\$24 million).

The 2027 Capital Plan provides \$211 million in 2027 including:

- Construction and reconstruction of various DSNY facilities, Citywide (\$66 million).
- Solid waste management infrastructure (\$15 million).
- Replacement of vehicles and other equipment (\$124 million).
- Information technology and telecommunications (\$6 million).

DEPARTMENT OF PARKS AND RECREATION

The Department of Parks and Recreation (DPR) is the steward of more than 30,000 acres of land, including nearly 5,000 individual properties, ranging from the Coney Island Boardwalk and Central Park to community gardens and greenstreets. The Department maintains and operates approximately 800 athletic fields, 1,000 playgrounds, 1,800 basketball courts, 550 tennis courts, and 564 community gardens. It also maintains and operates 65 public pools, 51 recreational facilities, 15 nature centers, 14 miles of beaches, 164 miles of waterfront parkland, and 14 golf courses. NYC Parks is also responsible for nearly 1,200 monuments, 23 historic house museums and the care and maintenance of nearly 700,000 street trees and an additional 4.9 million park trees.

Financial Review

The Department of Parks and Recreation's 2027 Executive Budget provides for operating expenses of \$685.4 million. Capital commitments of \$1.0 billion are also provided in FY2027.

Revenue Forecast

The Department of Parks and Recreation issues recreational permits, collects revenue from marina rentals, and receives revenue generated by concessions operated on Parks property. The Department will collect \$93.1 million from these sources in 2027.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- Maintaining the City's parks, playgrounds, infrastructure, and safety equipment, while ensuring acceptable ratings for the cleanliness and overall condition of parks.
- Sustaining parks through workforce transformation programs, including the Parks Opportunity Program, which provides a workforce to assist in the maintenance and operation of park facilities and helps to train and employ public assistance recipients.
- Operating and employing lifeguards at pools and beaches during the summer months.
- Maintaining street trees, park flora and fauna including tree pruning, dead tree removal, invasive species removal, reforestation, foresters, contract inspection, and administration to support a variety of forestry initiatives, including increasing the City's tree inventory.
- Designing and supervising park construction. The 2027 budget includes the continuation of full-time positions in the Capital Projects Division for the design and construction of hundreds of parks projects, including parks, playgrounds, recreational and athletic fields, and tree planting.

Summary of Agency Financial Data

The following table compares 2027 Executive Budget with the 2027 Preliminary Budget, the 2026 forecast and actual expenditures for 2025, including fringe benefits, pensions, and debt service.

	(\$ in 000's)					
	2025 Actual	2026 Forecast	2027		Increase/(Decrease)	
			Preliminary Budget	Executive Budget	2026 Forecast	2027 Preliminary Budget
Expenditures						
Salary and Wages	\$506,024	\$534,742	\$494,220	\$509,961	(\$24,781)	\$15,741
Fringe Benefits	3,470	10,042	3,647	3,647	(6,395)	(0)
OTPS	141,284	180,295	156,084	171,764	(8,531)	15,680
Total	\$650,778	\$725,079	\$653,951	\$685,372	(\$39,707)	\$31,421
Funding						
City	\$571,210	\$631,643	\$585,826	\$615,059	(\$16,584)	\$29,233
Other Categorical Grants	17,095	21,893	5,913	5,916	(15,977)	3
IFA	56,332	59,999	58,669	60,782	783	2,113
State	1,400	3,751	565	565	(3,186)	—
Federal CD	1,509	1,867	1,795	1,867	—	72
Federal Other	1,213	3,127	295	295	(2,832)	—
Intra-City Other	2,019	2,799	888	888	(1,911)	—
Total	\$650,778	\$725,079	\$653,951	\$685,372	(\$39,707)	\$31,421
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$196,631	\$217,824	\$231,888	\$219,945	\$2,121	(\$11,943)
Pensions	79,658	69,690	83,045	65,044	(4,646)	(18,001)
Other Than Personal Service (OTPS)						
Debt Service	571,042	494,733	568,565	513,311	18,578	(55,254)
Total Additional Costs	\$847,331	\$782,247	\$883,498	\$798,300	\$16,053	(\$85,198)
Funding						
City	827,367	756,104	869,026	772,666	16,562	(96,360)
Non-City	19,964	26,143	14,472	25,634	(509)	11,162
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$506,024	\$534,742	\$494,220	\$509,961	(\$24,781)	\$15,741
Fringe Benefits	200,101	227,866	235,535	223,592	(4,274)	(11,943)
Pensions	79,658	69,690	83,045	65,044	(4,646)	(18,001)
Total PS	\$785,783	\$832,298	\$812,800	\$798,597	(\$33,701)	(\$14,203)
OTPS	\$141,284	\$180,295	\$156,084	\$171,764	(\$8,531)	\$15,680
Debt Service	571,042	494,733	568,565	513,311	18,578	(55,254)
Total OTPS	\$712,326	\$675,028	\$724,649	\$685,075	\$10,047	(\$39,574)
Total Agency Costs	\$1,498,109	\$1,507,326	\$1,537,449	\$1,483,672	(\$23,654)	(\$53,777)
Less Intra-City	2,019	2,799	888	888	(1,911)	—
Net Agency Cost	\$1,496,090	\$1,504,527	\$1,536,561	\$1,482,784	(\$21,743)	(\$53,777)
Funding						
City	1,398,577	1,387,747	1,454,852	1,387,725	(22)	(67,127)
Non-City	97,513	116,780	81,709	95,059	(21,721)	13,350
Personnel (includes FTEs at fiscal year-end)						
City	7,480	7,431	7,123	7,504	73	381
Non-City	543	675	629	649	(26)	20
Total	8,023	8,106	7,752	8,153	47	401

Programmatic Review and Service Impact

The Department of Parks and Recreation provides clean, safe, attractive, and functional parks and public spaces for all New Yorkers to use and enjoy, with a range of recreational facilities and opportunities for all ages and abilities.

Caring for Parks

NYC Parks plans, builds, and cares for thriving parks and public spaces Citywide. Through the Parks Inspection Program (PIP), the Parks Department conducts 6,000 detailed park inspections throughout the year, as a way to consistently observe conditions encountered by the public. The results of these inspections are shared with senior management on a regular basis, guiding decisions regarding resource allocation, with the goal of improving the efficiency and effectiveness of daily operations. As measured by PIP, park and playground conditions were rated at 87 percent acceptable for overall condition and 92 percent acceptable for cleanliness in fiscal year 2025.

Throughout the city's history, when New Yorkers have needed to exercise, find space to enjoy themselves with family and friends, or enjoy quiet time and solitude, they have always turned to City parks, and this reliance has only grown in recent years. In 2024, NYC Parks launched the Vital Parks for All plan, a \$3.2 billion plan to upgrade park facilities with a particular focus on historically underserved areas. The Vital Parks Explorer tool accompanied this launch for the public to be able to search for recreation resources accessible within districts across the city.

NYC Parks planted thousands of new trees across the city, including in heat-vulnerable neighborhoods. To help New Yorkers better understand the state of the City's urban tree canopy, NYC Parks launched the NYC Tree Map, a first-of-its-kind dynamic map that showcases nearly one million of the City's trees, including unique identification numbers, species information, and maintenance status. New Yorkers can

report tree conditions in parks and on streets directly to NYC Parks staff, increasing the efficiency of tree care efforts. In collaboration with the Mayor's Office of Climate and Environmental Justice, Parks committed to increasing the city's tree canopy cover to 30% by 2040 under the Urban Forest Plan released in April 2026. NYC Parks has also started their Neighborhood Tree Planting program, with the goal of planting trees in City-owned public right-of-way by neighborhood on a 9-year cycle.

NYC Parks managed 492 capital park improvement project contracts in FY25, spanning a total of 579 sites across the city.

To ensure that the city continues to be accessible to all New Yorkers, the city is investing in its greenways. NYC Parks received funding for six projects to improve existing greenway routes in Flushing, Queens, and Bay Ridge, Brooklyn. NYC Parks continues to reconstruct portions of the East River Esplanade between East 60th Street and East 125th Street, recently opening the Andrew Haswell Green Park Phase 2B and East Midtown Greenway in late 2023. These greenway reconstruction projects will enhance quality of life, waterfront access and pedestrian and cyclist safety.

Engaging the Community

NYC Parks works closely with residents, community partners and volunteers across the City to improve the park experience. Thanks to the efforts of the Parks Department divisions that focus on community engagement, including Partnerships for Parks and GreenThumb, which together work with over 1,000 community groups and other organizations, Parks is engaging New Yorkers in planning for the future of the park system, fostering broader community engagement in the design process, employing creative placemaking to develop dynamic community spaces and developing local stewardship of our city's parks and public spaces.

Capital Review

The 2027-2030 Four-Year Capital Strategy totals \$4.2 billion. The table below reflects actual capital commitments for FY 2025 and planned capital commitments over the FY 2026-2030 period by program area.

Capital Commitments

(\$000's)

	2025 Actual		2026 Plan		2027 Plan		2028 Plan		2029 Plan		2030 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Waterfront Infrastructure	\$9,872	\$9,512	\$30,408	\$39,269	\$7,554	\$59,230	\$193,049	\$193,663	\$173,478	\$173,848	\$351,180	\$351,180
Land Acquisition, Tree Planting and Green Infrastructure	\$107,655	\$119,300	\$162,119	\$179,028	\$25,216	\$50,543	\$10,795	\$10,795	\$4,858	\$4,858	\$47,994	\$47,994
Buildings, Recreational Facilities and Pools	\$103,980	\$104,975	\$200,474	\$234,141	\$97,342	\$200,231	\$78,315	\$78,315	\$33,810	\$34,321	\$275,356	\$275,356
Neighborhood Parks, Playgrounds and Ballfields ...	\$306,286	\$311,477	\$241,138	\$258,901	\$193,522	\$390,139	\$276,697	\$298,197	\$472,472	\$474,341	\$385,925	\$389,926
Vehicles and Equipment	\$25,979	\$25,979	\$20,489	\$20,489	\$100	\$250	\$552	\$552	\$706	\$706	\$6,902	\$6,902
Large, Major and Regional Park Reconstruction	\$67,971	\$95,578	\$175,395	\$203,121	\$85,674	\$160,265	\$67,032	\$77,041	\$87,747	\$87,747	\$45,410	\$45,410
Zoos	\$1,552	\$1,552	-\$145	-\$145	\$0	\$0	\$0	\$0	\$0	\$0	\$5,484	\$5,484
Park Pedestrian Bridges	\$0	\$0	\$65,775	\$65,775	\$186,182	\$186,182	\$173,304	\$173,304	\$119,139	\$119,139	\$308,789	\$308,789
Total	\$623,295	\$668,373	\$895,653	\$1,000,579	\$595,590	\$1,046,840	\$799,744	\$831,867	\$892,210	\$894,960	\$1,427,040	\$1,431,041

Highlights of the 2027-2030 Four-Year Plan

The 2027-2030 Four-Year Capital Strategy totals \$4.2 billion to reconstruct existing facilities and Parks assets, develop new parkland and playgrounds, and perform tree plantings and natural area restoration. More specifically, this includes:

- Planting of new street trees and park trees, the reforestation and restoration of natural areas and improvements to DPR’s green infrastructure including irrigation of GreenThumb gardens, and planned acquisitions. (\$114.2 million in the Four-Year Plan).
- Reconstruction of large, major and regional parks, including Central Park in Manhattan, Prospect Park in Brooklyn and Flushing Meadows Corona Park in Queens (\$370.5 million in the Four-Year Plan).
- Reconstruction of neighborhood parks, playgrounds and ballfields including reconstruction of the Washington Park Basketball Court in the Bronx, reconstruction of Sobel Court Park in Staten Island and renovations to the Old Towne Flushing Burial Ground (\$1.6 billion in the Four-Year Plan).
- Various reconstruction projects at the Central Park Zoo, Prospect Park Zoo and Queens Zoo (\$5.5 million in the Four-Year Plan).
- Purchase of equipment and vehicles, citywide (\$8.4 million in the Four-Year Plan).
- Reconstruction and maintenance of recreation centers, public restroom buildings and other Parks-owned buildings, and pools, Citywide, including the construction of the Roy Wilkins Recreation Center in Queens and reconstruction of the Coney Island Beach Operations Headquarters in Brooklyn (\$588.2 million in the Four-Year Plan).
- Reconstruction of citywide waterfront infrastructure including the Coney Island Boardwalk in Brooklyn (\$777.9 million in the Four-Year Plan).
- Reconstruction of DPR-owned pedestrian bridges including the reconstruction of the Riverside Park Amtrak Overbuild in Manhattan (\$787.4 million in the Four-Year Plan).

DEPARTMENT OF ENVIRONMENTAL PROTECTION

The primary mission of the Department of Environmental Protection (DEP) is to deliver drinking water; manage stormwater; treat wastewater; regulate air, noise, and asbestos pollution; and protect the environmental health, welfare, and natural resources of New York City and its residents. This includes managing the New York City water and sewer system. The New York City water system consists of 19 collecting reservoirs and three controlled lakes located within the 2,000 square miles of the Croton, Catskill, and Delaware watersheds, along with 7,000 miles of aqueducts, tunnels, and water mains that deliver more than 1.0 billion gallons of water per day, and seven upstate water pollution control plants. The New York City sewer system comprises a comprehensive network of 7,500 miles of sewers, 14 in-City Wastewater Resource Recovery Facilities (WRRFs), and 96 pump stations to convey and treat approximately 1.3 billion gallons per day of captured sewage to standards established by State and Federal law before releasing the effluent into receiving waters.

Financial Review

The Department of Environmental Protection's 2027 Executive Budget provides for operating expenses of \$1.8 billion. It also provides 2027-2030 capital commitments of \$15.7 billion to be financed by Water Finance Authority funds and \$149.3 million in non-City funds.

Revenue Forecast

The Department collects revenue from permits, property rentals, and other fees. The Department also regulates air and noise quality, performs inspections, issues licenses and permits, and reviews technical plans related to asbestos control, air quality and noise abatement laws, and the storage of hazardous substances. The revenue estimate for 2027 is \$20.6 million.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- DEP supplies approximately 1.1 billion gallons of drinking water per day to eight and a half million City residents and more than one million upstate residents and maintains the City's water main and sewer infrastructure. Approximately 2,341 personnel and \$709.4 million are dedicated to this function. In addition, there are 297 police and security force personnel (\$47.1 million), including 221 environmental police officers, who protect the upstate watershed and respond to hazardous materials emergencies.
- The Department treats an average of 1.3 billion gallons of wastewater per day at the City's 14 WRRFs. Approximately 1,766 personnel and \$680.5 million are dedicated to this function.
- The Department continues to use various chemicals to ensure high quality drinking water for City and upstate residents and to protect the quality of waterbodies surrounding the City (\$140.2 million).
- The Department continues to fund contracts for biosolids removal, transport, and disposal (\$90.2 million).
- The Department continues to meet the terms under the Surface Water Treatment Rule for a Filtration Avoidance Determination (FAD) in the Catskill and Delaware Watersheds (\$86.9 million). The City's FAD includes programs which focus on agriculture and forestry, land management, flood hazard mitigation, and stormwater, stream, and wastewater management. The NYS Department of Health and the U.S. Environmental Protection Agency renewed the FAD in 2017 and it will be in effect for 10 years.
- The Department enforces the City's air and noise codes in addition to asbestos regulations with 232 personnel and \$21.2 million dedicated to this function.
- The Department will continue implementation of the City's Green Infrastructure Plan with 209 personnel and \$38.7 million dedicated to the purchase, installation, and maintenance of green infrastructure components. This includes funding for the installation of green infrastructure assets on non-City owned properties such as medical facilities, churches, and schools.
- The Department will ensure that the City is in compliance with the requirements set forth in the Municipal Separate Storm Sewer System (MS4) permit, which mandates the City to enforce inspection programs that address stormwater runoff from construction and development sites and from industrial or commercial facilities (\$8.9 million).

- The Department will maintain and operate coastal resilience assets and conduct Citywide planning for coastal flood risk, with \$13.8 million dedicated to this function.

Summary of Agency Financial Data

The following table compares 2027 Executive Budget with the 2027 Preliminary Budget, the 2026 forecast and actual expenditures for 2025, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2025 Actual	2026 Forecast	2027		2026	2027
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$656,188	\$718,484	\$721,903	\$736,722	\$18,238	\$14,819
Fringe Benefits	3,022	3,797	3,297	3,297	(500)	0
OTPS	1,018,857	1,197,918	961,597	1,076,362	(121,556)	114,765
Total	\$1,678,067	\$1,920,199	\$1,686,797	\$1,816,381	(\$103,818)	\$129,584
Funding						
City	\$1,584,680	\$1,704,305	\$1,622,777	\$1,749,364	\$45,059	\$126,587
Other Categorical Grants	11,315	7,252	—	—	(7,252)	—
IFA	69,342	63,504	62,419	65,318	1,814	2,899
State	1,110	99,619	—	—	(99,619)	—
Federal CD	323	1,400	150	248	(1,152)	98
Federal Other	8,689	39,962	821	821	(39,141)	—
Intra-City Other	2,608	4,157	630	630	(3,527)	—
Total	\$1,678,067	\$1,920,199	\$1,686,797	\$1,816,381	(\$103,818)	\$129,584
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$285,679	\$311,684	\$341,278	\$319,240	\$7,556	(\$22,038)
Pensions	103,966	94,512	107,448	84,157	(10,355)	(23,291)
Other Than Personal Service (OTPS)						
Debt Service	43,846	31,765	36,505	54,051	22,286	17,546
Total Additional Costs	\$433,491	\$437,961	\$485,231	\$457,448	\$19,487	(\$27,783)
Funding						
City	426,532	430,476	477,032	449,472	18,996	(27,560)
Non-City	6,959	7,485	8,199	7,976	491	(223)
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$656,188	\$718,484	\$721,903	\$736,722	\$18,238	\$14,819
Fringe Benefits	288,701	315,481	344,575	322,537	7,056	(22,038)
Pensions	103,966	94,512	107,448	84,157	(10,355)	(23,291)
Total PS	\$1,048,855	\$1,128,477	\$1,173,926	\$1,143,416	\$14,939	(\$30,510)
OTPS	\$1,018,857	\$1,197,918	\$961,597	\$1,076,362	(121,556)	\$114,765
Debt Service	43,846	31,765	36,505	54,051	22,286	17,546
Total OTPS	\$1,062,703	\$1,229,683	\$998,102	\$1,130,413	(\$99,270)	\$132,311
Total Agency Costs	\$2,111,558	\$2,358,160	\$2,172,028	\$2,273,829	(\$84,331)	\$101,801
Less Intra-City	2,608	4,157	630	630	(3,527)	—
Net Agency Cost	\$2,108,950	\$2,354,003	\$2,171,398	\$2,273,199	(\$80,804)	\$101,801
Funding						
City	2,011,212	2,134,781	2,099,809	2,198,836	64,055	99,027
Non-City	97,738	219,222	71,589	74,363	(144,859)	2,774
Personnel (includes FTEs at fiscal year-end)						
City	311	339	335	425	86	90
Non-City	5,502	6,225	6,177	6,184	(41)	7
Total	5,813	6,564	6,512	6,609	45	97

Programmatic Review and Service Impact

Water Supply Strategies

The Department will continue the implementation of programs related to the Filtration Avoidance Determination (FAD) for the City's Catskill and Delaware water supplies. In 2017, the New York State Department of Health, in consultation with the U.S. Environmental Protection Agency, issued an administrative determination providing the City with a waiver from filtering the Catskill and Delaware water supplies through 2027, superseding the previously issued 2007 FAD. As part of the FAD, and in compliance with revised regulations, DEP continues successful water quality management programs and its upstate land acquisition program to protect the water entering the City's reservoirs.

The Department will also continue the Water for the Future Program to address leaks in the Rondout-West Branch Tunnel (RWBT), a 45-mile portion of the Delaware Aqueduct that conveys about 50 percent of the City's daily water supply. A major component of this program is the construction of a 2.5-mile bypass tunnel around the areas of significant leakage. During the connection of this bypass tunnel to the Delaware Aqueduct, the RWBT will need to be temporarily shut down. In order to compensate for this future shutdown, the Department will continue to pursue several water supply conservation and augmentation projects.

The Department will also begin construction of a tunnel connecting the Kensico Reservoir to the Catskill/Delaware Ultraviolet Light Disinfection Facility (CDUV). Historically, for purposes of water quality and redundancy, both the Delaware and Catskill Aqueducts conveyed water from the Kensico Reservoir. However, because the Catskill Aqueduct is not sufficiently pressurized to move water through the CDUV, only the Delaware Aqueduct can deliver water from the Kensico Reservoir to the facility. The new tunnel will replace the section of the Catskill Aqueduct between the Kensico Reservoir and the CDUV and restore needed redundancy.

The Department will continue the construction of the remaining two shafts for the Brooklyn/Queens section of City Tunnel No. 3. Completion of these shafts will enable full operation of the Brooklyn/Queens section, allowing for the full inspection of City Tunnels No. 1 and 2 and providing critical water delivery redundancy in Brooklyn, Queens, and Staten Island. As of December 2017, the Brooklyn/Queens leg of City Tunnel No. 3 was cleaned, pressurized,

and filled with water, making it activation-ready in the event of emergencies until the remainder of the tunnel shafts are completed.

Additionally, the Department will conduct rehabilitation work at the Ashokan Reservoir in the Catskill System of the City's watershed. Projects include reconstruction of the Olive Bridge Dam and reservoir dikes, as well as replacement of the Dividing Weir Bridge and overall site restoration. This rehabilitation work will bring several key infrastructure pieces up to State and Federal safety standards and continue the Department's efforts to strengthen infrastructure in preparation for severe storms.

Lastly, the Department will complete comprehensive facility upgrades at the Hillview Reservoir. Constructed between 1909 and 1915, Hillview Reservoir acts as a terminal reservoir, providing balancing storage, pressure regulation, and secondary disinfection for up to 100 percent of the City's drinking water supply. Improvements include new chemical addition facilities, flow control equipment, and electrical infrastructure.

Wastewater Treatment Initiatives

Water quality in the harbor and surrounding waters has seen steady improvements due to ongoing investments. Coliform bacterial counts, which are indicators of water pollution from sewage, continue to remain at the lower levels observed over the last few years. Improvements have also been realized in the measure of dissolved oxygen as concentration levels in most harbor areas remain higher than long term historical levels. These advancements are attributed to the following DEP initiatives: continued reconstruction and upgrades at in-City WRRFs, implementation of advanced treatment technologies for nitrogen removal, the abatement of illegal discharges, improved sewer maintenance, and increased capture of wet weather flows.

To build upon these improvements, DEP continues to implement the NYC Green Infrastructure Plan. This mandated program supplements existing Combined Sewer Overflow (CSO) controls with a mix of "green infrastructure" (natural and permeable surfaces) and the optimization of "grey infrastructure" (construction and modification of tanks and tunnels) that will more cost-effectively reduce CSOs in waterways, while also improving air quality. Upon meeting the requirement under the consent order, this program will manage one inch of precipitation on impervious surfaces in combined sewer areas.

In addition to the above, DEP is implementing several CSO Long-Term Control Plans which will further improve water quality in City waterbodies. This will encompass several strategies including disinfection of CSOs before being released into receiving waterbodies.

Water Distribution and Wastewater Collection System

The Department operates, maintains, and protects the City's vast water and sewer network by ensuring residents have an adequate supply of potable water, maintaining sewers for a properly functioning wastewater system, and providing emergency services during water main breaks, leaks, sewer backups, and more.

As of August 2015, the City is mandated to comply with the Municipal Separate Storm Sewer System (MS4) permit issued by the New York State Department of Environmental Conservation to manage stormwater runoff in a way that prevents flooding and improves water quality. The permit requires the City to develop a Citywide Stormwater Management Plan that outlines measures to meet the permit obligations.

The Department is amending the City's drainage plan to show the locations, course, size, and elevation of the existing and proposed sewers for each drainage district. This will allow the Department to provide an adequate water and sewer system as new developments take place throughout the City.

In 2015, the Department began constructing a comprehensive storm sewer system in the neighborhoods represented by Community Boards 12 and 13 in Southeast Queens to mitigate chronic flooding experienced by the communities. Recognizing that the build-out of the full sewer system in Southeast Queens remains a long-term project, the Department has developed a number of strategies to provide short-term flooding relief while construction is underway, including public education on grease management, installation of green infrastructure, development of Bluebelt wetlands that naturally filter storm water runoff, and more.

Customer Services Programs

As required by the New York State Department of Environmental Conservation and the New York City Water Board, the Department is progressing towards its goal of universally metering all properties.

The major objectives of universal metering include water conservation, improved water supply system management, and rate equity. DEP services approximately 840,000 water and sewer customer accounts, of which about 28,000 are billed on a flat-rate system. Currently, more than 835,000 accounts are metered, while fewer than 2,700 remain unmetered.

DEP also offers several Customer Affordability Programs. The three main Affordability Programs are: a Home Water Assistance Program, which provides a bill credit to smaller property owners subject to an income threshold, a Multi-Family Water Assistance Program, which provides a per apartment unit bill credit to larger multi-family properties that enter into a rental affordability agreement, and a Leak Forgiveness Program, which partially credits back excess water charges attributable to a leak that is repaired. Last year, approximately 62,000 property owners received the Home Water Assistance Program (HWAP) credit, and around 48,000 apartment units received the Multi-Family Water Assistance Program (MWAP) credit. Approximately 4,250 properties receive a leak forgiveness credit each year.

In addition to the above, DEP introduced a Water and Sewer Service Line Protection Program in 2013, offered by American Water Resources (AWR). The purpose of this voluntary program is to protect homeowners from the unexpected high costs of water and sewer service line repairs. In exchange for a relatively small monthly program fee, AWR provides DEP customers with unlimited coverage for water and/or sewer service line leaks and breaks due to normal wear and tear. As of March 2026, over 292,000 customers have enrolled in the program and entered into service contracts with AWR. AWR was selected by the Water Board to offer the program, following a competitive Request for Proposal (RFP) process.

DEP bills and collects approximately \$4.6 billion in revenue annually. The launch of a new billing system in September 2021 ensures continued stability and allows DEP to capitalize on new features and greater efficiency than its legacy system.

Environmental Compliance

The Bureau of Environmental Compliance reviews and inspects asbestos abatement projects; investigates air quality and noise complaints; monitors emissions and environmental impacts from alternative fuel vehicles; and issues permits for boilers, other

combustion equipment, and other potential sources of air pollution.

The Bureau is also responsible for enforcing the City's noise code. Along with establishing rules, guidelines, and standards for governing noise in the City, the Bureau promulgates construction rules that require a site-specific noise mitigation plan for each construction site, offering alternatives for contractors to continue construction while reducing the noise impact on the surrounding environment.

Energy Policy

The Department works in conjunction with the Department of Citywide Administrative Services and the Mayor's Office on coordinating the City's strategic goals on energy policy. Given that DEP is one of the City's largest energy users, this policy role is closely linked with a number of objectives in the Department's

strategic plan. This role is in addition to nearly \$221.0 million in capital projects with energy reduction components where DEP expects to invest in clean distributed generation, energy efficiency, and hydroelectric generation.

Bureau of Police and Security

The Bureau of Police and Security is responsible for protecting the New York City water supply and the associated critical infrastructure from terrorism, pollution, and crime. Since February 1, 2010, the Bureau has been responsible for responding to hazardous material emergencies within the City by evaluating the characteristics of the materials involved and making technical decisions concerning containment, abatement, and disposal. The DEP Police Department patrols the upstate water supply, with 221 officers dedicated to this function.

Capital Review

Overview

The Four-Year Capital Plan for 2027 through 2030 provides a total of \$15.8 billion from the following sources: \$15.7 billion financed by Water Finance Authority funds and \$149.3 million in non-City funds. The table below reflects actual capital commitments for 2025 and planned capital commitments over the 2026-2030 period by program area.

Capital Commitments
(\$ in 000's)

	2025 Actual		2026 Plan		2027 Plan		2028 Plan		2029 Plan		2030 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Water Pollution	\$610,479	\$615,479	\$2,338,840	\$2,592,150	\$1,610,987	\$1,650,987	\$1,918,094	\$1,918,094	\$2,208,716	\$2,208,716	\$1,401,837	\$1,401,837
Water Mains	331,279	370,545	663,355	729,135	874,492	874,493	760,747	793,947	1,063,079	1,099,087	465,968	465,968
Sewers	176,623	205,349	517,386	535,527	768,754	804,347	462,593	467,093	722,597	722,597	1,131,311	1,131,311
Water Supply	1,951,904	1,951,904	304,804	304,804	1,567,394	1,567,394	51,151	51,151	251,777	251,777	25,000	25,000
Equipment	78,669	78,653	317,295	317,401	180,019	180,019	122,227	122,227	67,110	67,110	37,137	37,137
Total	\$3,148,954	\$3,221,930	\$4,141,680	\$4,479,017	\$5,001,646	\$5,077,240	\$3,314,812	\$3,352,512	\$4,313,279	\$4,349,287	\$3,061,253	\$3,061,253

The major elements of the Four-Year Capital Plan include:

- Extension and reconstruction of storm, sanitary, and combined sewers (\$3.1 billion).
- Investments to maintain the operational integrity of existing wastewater resource recovery facilities (\$4.3 billion). The total includes the hardening of wastewater infrastructure based on findings of the New York City Wastewater Resiliency Plan assessment (\$50.7 million).
- Replacement and extension of trunk and distribution water mains and ancillary work (\$1.5 billion).
- Disinfection and mitigation of Combined Sewer Overflow (CSO) to achieve waterbody-specific water quality standards (\$2.3 billion). This includes the construction of a storage tunnel to reduce the volume of CSO entering Newtown Creek (\$1.4 billion), the construction of two CSO holding tanks to improve water quality in the Gowanus Canal (\$343.9 million), and the construction of the Hutchinson River Disinfection facility for CSO mitigation in the Bronx River (\$229.3 million).
- Construction of a comprehensive sewer system in Southeast Queens, including strategically selected projects to deliver near-term and long-term flooding relief (\$685.3 million).

- Construction of a tunnel connecting the Kensico Reservoir to the Catskill/Delaware Ultraviolet Light Disinfection Facility, necessary to provide redundancy in the water supply system (\$1.0 billion).
- Reducing CSOs through the use of green infrastructure (\$815.1 million), such as right-of-way bioswales and stormwater greenstreets, porous pavement, constructed wetlands, onsite stormwater management practices, green roofs, and innovative cloudburst solutions.
- Rehabilitation of Ashokan Reservoir structures, including reconstruction of the Olive Bridge Dam, reservoir dikes, Dividing Weir Bridge, and overall site restoration (\$534.4 million).
- Construction related to the activation of the Brooklyn/Queens section of City Tunnel No. 3 (\$504.9 million). This work includes the excavation of the remaining two shafts necessary for full operation of the tunnel.
- Continuation of land acquisition for and construction of the award-winning Bluebelt program (\$274.8 million).
- Reconstruction of Hillview Reservoir, including new chemical addition facilities, flow control improvements, and electrical upgrades (\$283.5 million).

- Reconstruction of upstate and in-City dams, excluding the Olive Bridge Dam already noted, to ensure the long-term reliability of the City's reservoir infrastructure (\$427.3 million).
- Ongoing stabilization and upgrade of in-City Wastewater Resource Recovery Facilities (WRRFs) and systems to ensure compliance with State and Federal mandates for: mandated studies and facility upgrades to reduce nitrogen levels in treated wastewater (\$1.1 million) and enhancement of the existing chlorination system at various WRRFs in order to meet stricter chlorine discharge limits (\$34.7 million).
- Continuation of various filtration avoidance measures and land acquisition in the upstate watershed in support of the 10-year 2017 Filtration Avoidance Determination (\$48.7 million).
- Complete rehabilitation and optimization of the Catskill Aqueduct (\$18.2 million). This total includes the inspection and repair of deep-rock pressure tunnels that maintain tunnel pressure for water distribution (\$8.0 million).
- Emergency rehabilitation and replacement of sewers and water mains in the event of line breaks (\$268.6 million).

DEPARTMENT OF TRANSPORTATION

The Department of Transportation (DOT) maintains and reconstructs City bridges, plans and funds street reconstruction, oversees ferry operations, manages the traffic signals and street lighting networks, maintains and collects revenue from parking meters, manages the automated camera enforcement programs, operates parking facilities, and coordinates transportation planning within the five boroughs. It is DOT's goal to create a transportation network that is reliable, safe, sustainable, and accessible, meeting the needs of all New Yorkers and supporting the City's growing economy.

Financial Review

The Department of Transportation's 2027 Executive Budget provides for operating expenses of \$1.6 billion. Capital commitments of \$2.5 billion are planned for 2027. The 2027-2030 Capital Commitment Plan provides for \$11.4 billion in capital funds, including \$1.3 billion in Federal, State, and private funding.

Revenue Forecast

The Department of Transportation collects revenue from parking meters and parking garages, franchises, concessions, outdoor dining fees, electrical transformers, street opening, and pedestrian sidewalk permits, among others. In 2027, the Department will collect \$457.4 million in revenue.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- Funding of \$707.8 million for the traffic and transportation planning and management programs,

including \$105.3 million for energy costs associated with all streetlights and traffic signals and any other electrical devices affixed to them throughout the City, and \$226.5 million for the maintenance of approximately 13,870 signalized intersections, 3,122 automated enforcement cameras, and about 400,000 streetlights Citywide.

- Funding of \$285.0 million for the in-house costs associated with resurfacing 1,100 vehicle lane miles of streets and 50 miles of bike lanes per year, as well as the repair of street defects (potholes).
- Funding of \$150.3 million for the operation of the Staten Island Ferry and regulation of private ferry services.
- Funding of \$125.9 million to operate and maintain over 800 bridges and tunnels throughout New York City.

Summary of Agency Financial Data

The following table compares 2027 Executive Budget with the 2027 Preliminary Budget, the 2026 forecast and actual expenditures for 2025, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2025 Actual	2026 Forecast	2027		2026	2027
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$682,615	\$694,619	\$682,430	\$701,505	\$6,886	\$19,075
Fringe Benefits	6,278	6,421	4,980	4,980	(1,441)	(0)
OTPS	876,474	899,662	869,380	928,732	29,070	59,352
Total	\$1,565,367	\$1,600,702	\$1,556,790	\$1,635,217	\$34,515	\$78,427
Funding						
City	\$893,609	\$980,687	\$969,753	\$1,033,866	\$53,179	\$64,113
Other Categorical Grants	20,051	17,956	10,115	10,115	(7,841)	—
IFA	340,595	340,090	336,705	344,835	4,745	8,130
State	177,015	161,908	165,474	166,553	4,645	1,079
Federal CD	—	100	100	90	(10)	(10)
Federal Other	130,044	94,794	71,732	76,847	(17,947)	5,115
Intra-City Other	4,053	5,167	2,911	2,911	(2,256)	—
Total	\$1,565,367	\$1,600,702	\$1,556,790	\$1,635,217	\$34,515	\$78,427
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$292,763	\$313,468	\$340,970	\$321,717	\$8,249	(\$19,253)
Pensions	97,334	92,319	112,286	87,946	(4,373)	(24,340)
Other Than Personal Service (OTPS)						
Debt Service	967,225	979,631	1,125,827	1,028,288	48,657	(97,539)
Total Additional Costs	\$1,357,322	\$1,385,418	\$1,579,083	\$1,437,951	\$52,533	(\$141,132)
Funding						
City	1,252,485	1,272,116	1,493,822	1,324,016	51,900	(169,806)
Non-City	104,837	113,302	85,261	113,935	633	28,674
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$682,615	\$694,619	\$682,430	\$701,505	\$6,886	\$19,075
Fringe Benefits	299,041	319,889	345,950	326,697	6,808	(19,253)
Pensions	97,334	92,319	112,286	87,946	(4,373)	(24,340)
Total PS	\$1,078,990	\$1,106,827	\$1,140,666	\$1,116,148	\$9,321	(\$24,518)
OTPS	\$876,474	\$899,662	\$869,380	\$928,732	\$29,070	\$59,352
Debt Service	967,225	979,631	1,125,827	1,028,288	48,657	(97,539)
Total OTPS	\$1,843,699	\$1,879,293	\$1,995,207	\$1,957,020	\$77,727	(\$38,187)
Total Agency Costs	\$2,922,689	\$2,986,120	\$3,135,873	\$3,073,168	\$87,048	(\$62,705)
Less Intra-City	4,053	5,167	2,911	2,911	(2,256)	—
Net Agency Cost	\$2,918,636	\$2,980,953	\$3,132,962	\$3,070,257	\$89,304	(\$62,705)
Funding						
City	2,146,094	2,252,803	2,463,575	2,357,882	105,079	(105,693)
Non-City	772,542	728,150	669,387	712,375	(15,775)	42,988
Personnel (includes FTEs at fiscal year-end)						
City	2,740	2,862	2,964	3,041	179	77
Non-City	3,163	3,326	3,345	3,298	(28)	(47)
Total	5,903	6,188	6,309	6,339	151	30

Programmatic Review and Service Impact

Bridges

The Division of Bridges is responsible for the reconstruction and operation of over 800 City-owned bridges and tunnels. In 2027, the Division of Bridges provides for 728 positions and has an operating budget of \$125.9 million.

The Bridge program in the 2027 Executive Budget continues the City's commitment to preserve and maintain its infrastructure. The Bridge "Flag" and Corrective Repair program corrects mostly structural ("red" and "yellow" flags, in descending order of priority) and safety deficiencies on bridges by using both in-house forces and contracted services. Furthermore, the Bridge Preventive Maintenance program includes the oiling, sweeping, cleaning, deck sealing, washing, electrical maintenance and spot and salt splash zone painting of the City's bridges.

Roadway Repair and Maintenance

The Roadway Repair and Maintenance Division is responsible for maintaining approximately 19,324 lane miles of streets and 1,175 lane miles of which are arterial highways within the five boroughs. They are responsible for resurfacing operations, asphalt production, street defect repairs, and the maintenance of arterial highways. In 2027, Roadway Repair and Maintenance has a budget totaling \$285.0 million.

Sidewalk and Inspection Management

The Sidewalk Program's goal is to make the City's over 12,000 miles of sidewalk safe for pedestrians and help prevent injuries caused by defective sidewalk and curb. As per section 19-152 of the Administrative Code, property owners are required to maintain and construct the sidewalk adjacent to their property. In addition to repairs performed through private contractors, the City's Prior Notice Capital contracts also repair an average of over 1 million square feet of sidewalks every year.

The Pedestrian Ramp Program is responsible for the City's approximately 185,000 corners. Pedestrian (curb) ramps are an integral component of the sidewalk network and are a critical component in providing for safe and accessible means of travel throughout New York City. Pedestrian ramps provide access on and off our streets and sidewalks and are an essential tool for all pedestrians, especially aging New Yorkers and individuals with disabilities. The Pedestrian Ramp

Program is dedicated to upgrading and installing new pedestrian ramps, including those at mid-block crossings and medians. All pedestrian ramps must comply with the current Americans with Disabilities Act (ADA) Standards for Accessible Design.

Traffic Operations and Transportation Planning and Management

The Division of Traffic Operations maintains approximately 13,870 signalized intersections, nearly 400,000 streetlights, 3,122 automated enforcement cameras, 90,576 metered parking spaces, and operates 38 municipal parking facilities consisting of 30 parking lots and 8 parking garages. The Division of Transportation Planning and Management installs and maintains almost one million traffic signs and over 350 million linear feet of pavement markings. The 2027 Executive Budget for the Division of Traffic Operations and Division of Transportation Planning and Management provides for 1,812 positions and \$707.8 million.

The Division of Traffic Operations manages programs that support the Department's Vision Zero and public safety goals. Responsibilities include the installation of Accessible Pedestrian Signals (APS) to deliver traffic signal information to pedestrians with visual impairments, installation of Leading Pedestrian Intervals (LPI) at signalized intersections, installation of new traffic control signals at uncontrolled intersections, traffic signal re-timings, management of the automated traffic enforcement camera program, and management of the mobile payment app "ParkNYC" for municipal parking services.

The Division of Transportation Planning and Management plans and implements Street Improvement Projects (SIPs) that further the City's goals of providing safe, sustainable, and attractive transportation options to New Yorkers in a reliable and high-quality transportation network. Projects implemented under the Safe Streets for Seniors, Safe Routes to Schools, Safe Routes to Transit, and Bus Stops Under the Elevated programs, as well as redesigns of Vision Zero Priority Corridors and Priority Intersections, improve safety for all street users.

The Department oversees several pedestrian and micromobility focused programs, including Open Streets, NYC Plazas, Shared Streets, and street furniture, including the WalkNYC Wayfinding signs, City Benches, and Bike Parking. The programs provide valuable open

space for community gathering, greening, and activity programming, maps for local navigation, and benches and bike racks to encourage walking, biking, and transit trips. Each are addressing critical equity needs in neighborhoods lacking the adequate public space and infrastructure investments that make walking and biking a convenient and comfortable option.

The Staten Island Ferry carried approximately 16.7 million passengers in 2025 and achieved an on-time performance rating of 96.0 percent. Privately operated commuter ferries, including those contracted by the Economic Development Corporation, carried 15.6 million passengers.

Transit Operations (Ferries)

The Department operates and maintains the Staten Island Ferry boats and terminals and regulates private ferry operations. The 2027 Executive Budget for Ferries provides for 674 positions and an operating budget of \$150.4 million.

Capital Review

The Department of Transportation’s 2027-2030 Capital Commitment Plan totals \$11.4 billion for the reconstruction of transportation infrastructure, of which approximately 89 percent is City-funded. The table below shows commitments by program area over the FY 2027-2030 period.

Capital Commitments
(\$ in 000’s)

	2025 Actual		2026 Plan		2027 Plan		2028 Plan		2029 Plan		2030 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Highways and Streets	808,133	1,074,710	777,838	972,381	977,030	1,137,900	1,078,150	1,146,486	886,776	962,214	1,950,957	2,081,312
Highway Bridges	151,213	196,508	177,047	193,240	548,796	763,821	750,757	840,292	799,696	981,783	2,334,059	2,435,296
Waterway Bridges	27,473	27,473	855,398	855,398	1,067	1,067	29,001	29,001	-	-	88,961	88,961
Traffic	74,241	95,857	183,954	214,269	376,428	476,101	102,649	151,677	41,527	46,013	65,381	65,614
Vehicles/Equipment	13,372	13,372	47,383	52,648	22,923	27,334	2,844	2,844	1,928	1,928	15,742	15,742
Ferries	29,445	32,395	21,493	49,567	19,638	84,942	26,453	52,109	20,925	34,163	20,021	21,127
Total	\$1,103,877	\$1,440,315	\$2,063,113	\$2,337,503	\$1,945,882	\$2,491,165	\$1,989,854	\$2,222,409	\$1,750,852	\$2,026,101	\$4,475,121	\$4,708,052

The Highlights of the 2027-2030 Capital Plan include:

- Complete rehabilitative work of bridge structures scheduled for life extension (\$2.0 billion), including the reconstruction of Grand Street Bridge over Newtown Creek in Brooklyn (\$326.1 million) and the rehabilitation of the Church Ave Bridge over the BMT Subway (\$130.1 million).
- Complete reconstruction or rehabilitation of bridge structures currently rated “fair” or “good” (\$2.9 billion), including the Shore Road Bridge over the Hutchinson River (\$320.5 million) and East 174th Street over Sheridan Expressway (\$141.6 million).
- Street reconstruction (\$2.9 billion), including reconstruction of Flatiron Plaza (\$118.8 million), Lower Grand Concourse Reconstruction (\$117.1 million), and Queens Boulevard, Phase 1 (\$111.9 million).
- Street and arterial resurfacing of approximately 1,100 vehicle lane miles and 50 bike lane miles per year (\$1.2 billion).
- Installation and reconstruction of pedestrian ramps to comply with accessibility requirements (\$828.4 million) and replacement of sidewalks (\$63.0 million).
- Installation of traffic signals (\$445.9 million), including accessible pedestrian signals (\$24.5 million).
- Ferry terminal and facility improvements (\$155.8 million).
- Reconstruction and upgrade of parking meters, garages, and lots (\$11.8 million).

HOUSING PRESERVATION AND DEVELOPMENT

Established in 1978, the New York City Department of Housing Preservation and Development (HPD) promotes quality and affordability in the City's housing, and diversity and strength in its many neighborhoods. HPD does this by maintaining building and resident safety and health, creating opportunities for New Yorkers through housing affordability, and engaging New Yorkers to build and sustain neighborhood strength and diversity.

HPD is responsible for preserving affordable housing and protecting tenants; developing new affordable housing; enforcing the Housing Maintenance Code and Multiple Dwelling Law; administering Federal and City rental subsidies; managing the City's prior investments in affordable housing; conducting research on the City's housing stock; and engaging communities in planning more equitable, diverse, and livable neighborhoods.

Financial Review

HPD's 2027 Executive Budget provides for operating expenses of \$1.5 billion, of which approximately \$679 million is City funds. The budgeted headcount of 2,870 full-time positions is funded at \$252 million while other than personal services are projected at \$1.3 billion. Over \$821 million, or 53 percent of the Agency's expense budget, is supported by Federal and State funding programs. HPD's operating budget described above includes \$393 million in funding for the New York City Housing Authority (NYCHA), of which \$380 million is City funds. In addition, HPD has planned capital commitments of \$4.9 billion in 2027.

Revenue Forecast

HPD collects fees for processing tax abatement and exemption applications, multiple dwelling registrations, document searches, and administrative fees. HPD also collects revenue from residential and commercial tenants occupying *in rem* buildings, and from the sale of *in rem* buildings to the private sector. The Agency will generate \$39.4 million in 2027.

Expense Budget Highlights

Providing Core Services

In 2027, the Agency will continue to provide core services that include the enforcement of the Housing Maintenance Code, administration of rental subsidies, preservation and development of quality affordable housing, and management of affordable housing assets.

- Through its Code Enforcement team, the Agency will continue to respond promptly to housing maintenance complaints, assess conditions, and develop appropriate strategies to correct violations citywide.
- HPD will use various enforcement tools to ensure compliance with legal and regulatory obligations

including bringing enforcement proceedings against non-compliant owners and removing hazardous conditions in private distressed buildings. The Agency will continue to work with responsible owners and community partners to prevent distress and ensure neighborhood stability. These efforts are supported by Federal Community Development Block Grant (CDBG) funds.

- HPD will administer the nation's fifth largest Federal Section 8 program and allocate Federal Housing Choice Vouchers and other Federal and City funded rental assistance vouchers to eligible New Yorkers, including administration of the NYC 15/15 Rental Assistance program. In 2026, the Agency supported over 44,000 households. Another \$666 million in subsidy payments are planned for 2027, in line with 2026 planned spending.
- HPD will engage in planning and project development activities and leverage private investments to preserve existing housing stock and create new affordable housing units.
- HPD will continue to monitor the financial health and ongoing affordability of approximately 6,500 rental and co-op buildings containing over 185,000 units in its asset management portfolio, as well as 45,000 units of Mitchell-Lama housing across 93 developments, in which the City has previously invested.
- HPD will act as a fiscal conduit for NYCHA. Operating support for NYCHA provided by the City is housed within HPD's operating budget and HPD assists NYCHA in accessing these funds. Additional detail regarding the programmatic uses of these funds is included in the NYCHA section of this message.
- HPD will help coordinate the City's range of tenant protection efforts through the Mayor's Office to Protect Tenants (MOPT).

Summary of Agency Financial Data

The following table compares 2027 Executive Budget with the 2027 Preliminary Budget, the 2026 forecast and actual expenditures for 2025, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2025 Actual	2026 Forecast	2027		2026	2027
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$215,917	\$244,668	\$252,325	\$252,201	\$7,533	(\$124)
Fringe Benefits	92	4	4	4	—	—
OTPS	1,762,453	1,820,277	1,205,243	1,286,800	(533,477)	81,557
Total	\$1,978,462	\$2,064,949	\$1,457,572	\$1,539,005	(\$525,944)	\$81,433
Funding						
City	\$783,659	\$708,226	\$582,924	\$678,573	(\$29,653)	\$95,649
Other Categorical Grants	64,815	18,466	8,224	8,811	(9,655)	587
IFA	22,034	28,534	28,685	28,774	240	89
State	2,841	4,363	2,020	2,020	(2,343)	—
Federal CD	184,878	297,145	170,556	152,866	(144,279)	(17,690)
Federal Other	917,616	1,005,619	662,995	665,793	(339,826)	2,798
Intra-City Other	2,619	2,596	2,168	2,168	(428)	—
Total	\$1,978,462	\$2,064,949	\$1,457,572	\$1,539,005	(\$525,944)	\$81,433
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$95,855	\$109,278	\$119,271	\$112,474	\$3,196	(\$6,797)
Pensions	32,335	30,832	35,208	27,576	(3,256)	(7,632)
Other Than Personal Service (OTPS)						
Debt Service	987,899	1,152,975	1,325,040	1,910,386	757,411	585,346
Total Additional Costs	\$1,116,089	\$1,293,085	\$1,479,519	\$2,050,436	\$757,351	\$570,917
Funding						
City	1,028,641	1,184,405	1,398,516	1,915,197	730,792	516,681
Non-City	87,448	108,680	81,003	135,239	26,559	54,236
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$215,917	\$244,668	\$252,325	\$252,201	\$7,533	(\$124)
Fringe Benefits	95,947	109,282	119,275	112,478	3,196	(6,797)
Pensions	32,335	30,832	35,208	27,576	(3,256)	(7,632)
Total PS	\$344,199	\$384,782	\$406,808	\$392,255	\$7,473	(\$14,553)
OTPS	\$1,762,453	\$1,820,277	\$1,205,243	\$1,286,800	(\$533,477)	\$81,557
Debt Service	987,899	1,152,975	1,325,040	1,910,386	757,411	585,346
Total OTPS	\$2,750,352	\$2,973,252	\$2,530,283	\$3,197,186	\$223,934	\$666,903
Total Agency Costs	\$3,094,551	\$3,358,034	\$2,937,091	\$3,589,441	\$231,407	\$652,350
Less Intra-City	2,619	2,596	2,168	2,168	(428)	—
Net Agency Cost	\$3,091,932	\$3,355,438	\$2,934,923	\$3,587,273	\$231,835	\$652,350
Funding						
City	1,812,300	1,892,631	1,981,440	2,593,770	701,139	612,330
Non-City	1,279,632	1,462,807	953,483	993,503	(469,304)	40,020
Personnel (includes FTEs at fiscal year-end)						
City	823	959	1,018	1,004	45	(14)
Non-City	1,601	1,889	1,887	1,891	2	4
Total	2,424	2,848	2,905	2,895	47	(10)

Programmatic Review and Service Impact

HPD administers the above-described core services through the following offices: Asset and Property Management; Development; Enforcement and Neighborhood Services; Housing Access and Stability; Neighborhood Strategies; and Policy and Strategy. The Offices of the Commissioner, First Deputy Commissioner, Compliance and Risk Management, External Affairs, Finance & Administration, HPD Tech, and Legal Affairs also provide planning, leadership, technical, and support services to accomplish the Agency's goals.

Asset and Property Management

HPD's Office of Asset and Property Management works to ensure that properties remain financially and physically stable over the long-term. Its programs proactively identify at-risk buildings and help to stabilize mismanaged assets. The Office supervises the City's Asset Management and Mitchell-Lama portfolios, and manages City-owned residential and commercial properties, as well as Urban Renewal sites, until they can be returned to responsible private ownership.

Development

HPD's Office of Development leads the implementation of the Mayor's affordable housing goals in close collaboration with other City and State agencies, and with the New York City Housing Development Corporation (HDC). The Office funds the development and preservation of affordable housing on both public and private sites through a variety of new construction, preservation, and homeownership programs.

Additionally, the Office manages eight real property tax benefit programs, as well as the inclusionary housing pipeline and associated transactions. The Inclusionary Housing program is intended to promote economic integration as areas undergo substantial new development. The Office also allocates as-of-right and competitive Federal Low-Income Housing Tax Credits pursuant to the Internal Revenue Code and the City's Qualified Allocation Plan.

Enforcement and Neighborhood Services

HPD's Office of Enforcement and Neighborhood Services protects housing by enforcing the City's Housing Maintenance Code and the New York State Multiple Dwelling Law. The Office responds to public

complaints by issuing violations. HPD may address immediately hazardous violations in privately-owned buildings if a property owner fails to correct the condition (these costs are billed back to the property). Immediately hazardous violations include the presence of lead paint; mold (at the legally prescribed threshold); self-closing doors (fire safety); and the lack of heat, hot water, or electricity. HPD may bring cases to Housing Court to seek the correction of violations and the imposition of civil penalties as warranted. Through the Agency's Alternative Enforcement Program, 7A Administrator Program, Anti-Harassment Unit, and Underlying Conditions Program, among other special enforcement programs, the Office monitors deteriorating and severely distressed properties and reaches out to owners with tools to educate, assist, and enforce accountability. In addition, the Office operates the Agency's Emergency Housing Services Program, to provide emergency shelter and housing relocation services to tenants displaced as a result of fires or vacate orders issued by HPD, the Department of Buildings, or the Fire Department. The Office also works closely with the Department of Buildings, the Department of Health and Mental Hygiene, and the Fire Department on enforcement issues including tenant harassment.

Housing Access and Stability

HPD's Office of Housing Access and Stability ensures fair, efficient, and transparent access to affordable housing. The Office provides subsidies, placement services, and tools that connect New Yorkers to affordable housing, ensure vulnerable households in subsidized housing have the support they need to remain safely housed, and stabilize the financial health of buildings. The Office's Division of Tenant and Owner Resources administers rental assistance programs including Section 8 Housing Choice Vouchers, Moderate Rehabilitation / SRO Programs, Continuum of Care, Emergency Housing Vouchers, and the NYC 15/15 Rental Assistance Program. The Office also oversees all marketing and leasing-related functions, including affordable housing lotteries and homeless placement services. Housing Access and Stability is committed to expanding housing choices and affirmatively furthering fair housing.

Neighborhood Strategies

HPD's Office of Neighborhood Strategies collaborates with nonprofits, community stakeholders, and elected officials to empower tenants and homeowners and to plan for neighborhood change, including the redevelopment of public land for affordable housing. The Division of Planning and

Predevelopment develops and manages HPD’s predevelopment pipeline of affordable housing projects on City-owned land, including leading projects through the land use review and entitlement process, to ensure that HPD’s investments contribute to building strong, healthy, resilient neighborhoods in all five boroughs. The Division of Neighborhood Development and Stabilization leads the Agency’s community engagement and outreach through comprehensive, neighborhood-based planning processes; tenant and owner support programs; administration of contracts with community-based organizations; customer service; fair housing planning; and educating New Yorkers about their housing rights and available resources.

Policy and Strategy

HPD’s Office of Policy and Strategy helps guide and support HPD to better achieve its mission and to become more efficient and effective across its program areas. The Office collaborates with staff and senior leadership across the Agency, providing rigorous research, data, policy, and financial analysis and supporting program design and innovation. The Office conducts the New York City Housing and Vacancy Survey, the New York City Housing and Neighborhood Study, a wide range of internal and external reporting, and Where We Live NYC (the City’s comprehensive fair housing plan). It also develops cutting-edge responses to climate challenges, including compliance with Local Law 97.

Capital Review

The 2027-2030 Four-Year Capital Strategy totals \$14.3 billion, including \$14.2 billion in City funding and \$160 million in Federal funds. The Agency will use its City capital resources to leverage State and Federal funds as well as private financing (which does not flow through the City’s capital budget) as part of the Agency’s goal to create and preserve quality affordable housing. The table below reflects actual capital commitments for 2025 and planned capital commitments by program area over the 2026-2030 period.

Capital Commitments
(\$ in 000’s)

	FY25 Actuals		FY26 Plan		FY27 Plan		FY28 Plan		FY29 Plan		FY30 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
New Construction	\$678,292	\$678,292	\$1,629,521	\$1,629,521	\$1,549,233	\$1,549,233	\$1,771,190	\$1,771,190	\$1,058,629	\$1,058,629	\$977,820	\$977,820
Other Housing Support	\$74,808	\$74,808	\$153,066	\$153,066	\$111,494	\$111,494	\$92,396	\$92,396	\$69,481	\$69,481	\$36,011	\$36,011
Disposition	\$10,038	\$10,038	\$191,173	\$191,173	\$143,583	\$143,583	\$137,307	\$137,307	\$102,706	\$102,706	\$90,567	\$90,567
Preservation	\$1,045,839	\$1,045,839	\$860,900	\$860,900	\$1,320,219	\$1,320,219	\$1,238,745	\$1,238,745	\$794,322	\$794,322	\$689,355	\$689,355
Special Needs	\$269,557	\$302,655	\$699,611	\$739,611	\$760,836	\$800,836	\$773,037	\$813,037	\$461,891	\$501,891	\$472,087	\$512,087
NYCHA Preservation Programs .	\$631,209	\$631,209	\$1,262,181	\$1,262,181	\$1,005,064	\$1,005,064	\$500,000	\$500,000	\$-	\$-	\$-	\$-
Total	\$2,709,743	\$2,742,841	\$4,796,452	\$4,836,452	\$4,890,429	\$4,930,429	\$4,512,675	\$4,552,675	\$2,487,029	\$2,527,029	\$2,265,840	\$2,305,840

Highlights of the Ten Year Capital Strategy and Four-Year Plan

Under 2027-2030 Four-Year Plan, HPD will generate affordable housing units via preservation, new construction, senior and supportive housing, and the disposition of *in rem* housing stock. Under the Four-Year Plan:

- Funding of \$4.0 billion will support activities to preserve existing affordable housing stock while creating long-term affordability by providing moderate to substantial rehabilitation.

- Funding of \$5.4 billion will support construction of new units serving various income levels throughout the five boroughs. Initiatives include large-scale developments, as well as funding for various rental and homeownership programs.
- Funding of \$2.6 billion (inclusive of \$160 million of Federal HOME Investment Partnerships Program funds) will support senior and supportive housing initiatives funded through various Special Needs Housing loan programs.
- Funding of \$474.2 million will rehabilitate City-owned housing units and return them to responsible private ownership.

- Funding of \$309.4 million will be used in support of other ancillary housing investments. This primarily encompasses costs associated with development in urban renewal areas, technology projects that will enhance agency operations, and other infrastructure projects that support the development of housing.

In addition, units are expected to be generated without capital subsidies through various initiatives with Agency partners. These units will primarily be created or preserved using bond financing, inclusionary zoning, and tax abatement or exemptions.

The HPD capital budget also supports the conversion of NYCHA developments through the Permanent Affordability Commitment Together (PACT) program, which is NYCHA's implementation of the Department of Housing and Urban Development (HUD)'s Rental Assistance Demonstration program, as well as the New York City Housing Preservation Trust (Trust) program.

- Funding of \$1.5 billion in the 2027-2030 Four-Year Plan will continue to support the City's goal to convert approximately 62,000 units from traditional Section 9 public housing to Section 8 rental assistance vouchers through the PACT program. Funding will also support conversions through the Trust program.

Additional detail on the NYCHA PACT and Trust programs is included in the NYCHA section of this message.

DEPARTMENT OF CITYWIDE ADMINISTRATIVE SERVICES

The Department of Citywide Administrative Services (DCAS) provides a variety of shared services to support the operations of New York City government. These services include recruiting, hiring, and training employees; providing facilities management for 56 public buildings; acquiring, selling, and leasing City property; coordinating the purchase and distribution of supplies and equipment for City agencies; and implementing conservation and safety programs throughout the City's facilities and vehicle fleet. Through these services, DCAS ensures that all City agencies have the critical resources needed to provide the best possible services to the public. The following lines of service are among those that provide this support: Human Capital, Facilities Management & Construction, Real Estate Services, Energy Management, Fleet Management, and the Office of Citywide Procurement.

Financial Review

The Department of Citywide Administrative Services' 2027 Executive Budget provides for operating expenses of \$1.9 billion, a decrease of \$4.0 million below the amount forecasted in 2026. Capital commitments of \$1.0 billion are also provided, a decrease of \$195.5 million below the 2026 Plan amount.

Revenue Forecast

The Department of Citywide Administrative Services manages the City's real estate holdings and receives revenue in the form of rents. It also holds auctions for vehicles from the City's Fleet as well as other City property and collects civil service exam fees. In 2027, DCAS anticipates collecting \$63.9 million in revenue.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- The 2027 Executive Budget provides total funds of \$1.98 billion for the Department, of which \$1.28 billion is for goods and services that agencies purchase from DCAS through intra-city agreements, including the following: utilities (\$1.1 billion), leases (\$137.5 million), storehouse supplies (\$15.4 million), maintenance and repair of facilities and vehicles (\$21.3 million), personnel training (\$0.8 million), and other services (\$7.2 million).
- The 2027 Executive Budget provides a total of \$357.1 million for DCAS Facilities Management & Construction, including \$49.2 million in State funding for lease and maintenance services of court facilities. Of the total \$357.1 million budgeted for Facilities Management & Construction, the City has budgeted \$188.4 million for leases and \$129.0 million for building maintenance. Facilities

Management & Construction provides maintenance and construction services for 56 public buildings, including 31 court facilities.

- The 2027 Executive Budget provides a total of \$20.0 million for Real Estate Services. Real Estate Services purchases, sells, and leases real property; and locates space for City agencies.
- The 2027 Executive Budget provides a total of \$49.2 million for DCAS Police and contractual security coverage at DCAS-managed buildings.

Restructuring and Streamlining

- Since 2014, DCAS has invested more than \$1.4 billion in over 6,000 energy efficiency projects and 17,000 energy conservation measures across 2,500 City government facilities. These investments have reduced energy use by approximately 5.5 million MMBtus – equivalent to the annual energy use of 390,000 City residences – while avoiding an estimated \$150 million in annual energy costs. They have also reduced greenhouse gas emissions by over 460,000 metric tons of carbon dioxide equivalent, the equivalent of removing 100,000 cars from the road. DEM's efforts are focused on buildings, which accounted for approximately 67 percent of total GHG emissions and 81 percent of energy usage from City government stationary assets in 2024.

To date, DCAS has also installed over 33.5 megawatts of solar photovoltaic (PV) systems on City assets, with an additional 40 megawatts of projects in the pipeline.

Overall, City government has reduced greenhouse gas emissions by 31 percent from 2006 through 2024, outpacing the 25 percent reduction achieved across all sectors Citywide – including public, private, and residential – demonstrating that City

government is leading by example. The City is on track to surpass the Local Law 97 2030 target of a 50 percent reduction in emissions.

- DCAS led the successful implementation of the NYC Clean Fleet Initiative to reduce transportation GHG emissions by 50 percent by 2025. DCAS is now focused on reducing GHG emissions 80 percent by 2035 and to comply with Local Law 140 of 2023 to transition the City fleet to electric by 2035 for light and medium duty vehicles and by 2038 for heavy duty vehicles. DCAS manages the largest electric fleet in New York State, with over 5,825 electric vehicles, and has over 600 new electric replacement vehicles on order. To support the growing EV fleet, DCAS also manages the State's largest charging infrastructure network with over 2,450 electric vehicle charging ports so far, including 161 solar-powered electric vehicle carports and 415 fast charging stations. Fast chargers can charge electric vehicles in a fraction of the time it takes a traditional charger, and DCAS has partnered with the NYC Department of Parks and Recreation to make fast and solar chargers open to the public to increase access to charging infrastructure. Currently 22 chargers are open to the public with an additional 18 planned for the next year.

- DCAS also plays a key role in creating employment opportunities for all New Yorkers. During Fiscal Year 2025, DCAS hosted or participated in over 300 events to spread awareness about working for the City of New York, reaching roughly 15,000 participants. DCAS continues to expand pathways into City employment by growing key programs and partnerships. This includes doubling the Civil Service Pathways Fellowship (CSPF) from 200 to 400 positions, now including high-demand fields like architecture, engineering, and digital media, and increasing opportunities for CUNY graduates. DCAS also hosted hiring events for early-career individuals, connecting hundreds of students and recent graduates with City agencies for direct interviews and creating meaningful entry points into public service careers.

In addition, DCAS administered 171 civil service exams to more than 89,000 applicants to support the City's hiring efforts and operational needs. In 2025, DCAS introduced and delivered its first consolidated Public Safety Exam (PSE) to allow candidates to qualify for four critical public safety positions under one fee with a single exam. The PSE was part of a Citywide effort to reduce barriers to economic opportunities by expanding access to meaningful public safety careers for a broader pool of qualified candidates.

Summary of Agency Financial Data

The following table compares 2027 Executive Budget with the 2027 Preliminary Budget, the 2026 forecast and actual expenditures for 2025, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2025 Actual	2026 Forecast	2027		2026	2027
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$226,189	\$238,162	\$239,210	\$237,931	(\$231)	(\$1,279)
Fringe Benefits	4,307	4,877	4,893	4,893	16	0
OTPS	1,757,004	1,741,342	1,449,357	1,737,583	(3,759)	288,226
Total	\$1,987,500	\$1,984,381	\$1,693,460	\$1,980,407	(\$3,974)	\$286,947
Funding						
City	\$603,179	\$569,092	\$446,560	\$468,309	(\$100,783)	\$21,749
Other Categorical Grants	125,005	141,166	116,629	146,159	4,993	29,530
IFA	1,633	1,655	1,655	1,655	—	—
State	239,057	94,968	78,503	78,623	(16,345)	120
Federal CD	—	—	—	—	—	—
Federal Other	391	4,734	224	224	(4,510)	—
Intra-City Other	1,018,235	1,172,766	1,049,889	1,285,437	112,671	235,548
Total	\$1,987,500	\$1,984,381	\$1,693,460	\$1,980,407	(\$3,974)	\$286,947
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$86,213	\$95,240	\$105,260	\$97,730	\$2,490	(\$7,530)
Pensions	35,092	31,589	37,570	29,426	(2,163)	(8,144)
Other Than Personal Service (OTPS)						
Debt Service	670,432	755,650	866,892	749,256	(6,394)	(117,636)
Total Additional Costs	\$791,737	\$882,479	\$1,009,722	\$876,412	(\$6,067)	(\$133,310)
Funding						
City	772,662	850,597	995,876	845,746	(4,851)	(150,130)
Non-City	19,075	31,882	13,846	30,666	(1,216)	16,820
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$226,189	\$238,162	\$239,210	\$237,931	(\$231)	(\$1,279)
Fringe Benefits	90,520	100,117	110,153	102,623	2,506	(7,530)
Pensions	35,092	31,589	37,570	29,426	(2,163)	(8,144)
Total PS	\$351,801	\$369,868	\$386,933	\$369,980	\$112	(\$16,953)
OTPS	\$1,757,004	\$1,741,342	\$1,449,357	\$1,737,583	(\$3,759)	\$288,226
Debt Service	670,432	755,650	866,892	749,256	(6,394)	(117,636)
Total OTPS	\$2,427,436	\$2,496,992	\$2,316,249	\$2,486,839	(\$10,153)	\$170,590
Total Agency Costs	\$2,779,237	\$2,866,860	\$2,703,182	\$2,856,819	(\$10,041)	\$153,637
Less Intra-City	1,018,235	1,172,766	1,049,889	1,285,437	112,671	235,548
Net Agency Cost	\$1,761,002	\$1,694,094	\$1,653,293	\$1,571,382	(\$122,712)	(\$81,911)
Funding						
City	1,375,841	1,419,689	1,442,436	1,314,055	(105,634)	(128,381)
Non-City	385,161	274,405	210,857	257,327	(17,078)	46,470
Personnel (includes FTEs at fiscal year-end)						
City	1,522	1,909	1,908	1,900	(9)	(8)
Non-City	575	682	682	682	—	—
Total	2,097	2,591	2,590	2,582	(9)	(8)

Programmatic Review

DCAS provides support services through the seven lines of service described below:

Human Capital

Human Capital works in collaboration with all 80+ City agencies to help support them in delivering on their missions. Human Capital is responsible for maintaining the civil service system for the City of New York, including classifying positions and salaries, managing examinations (from exam development to the creation of civil service lists), and certifying those lists to agencies to fill vacancies. Human Capital also evaluates and administers Citywide personnel policies and programs, ensures City employees' safety and health, conducts professional development training, and supports Citywide workforce strategies, including the oversight of the Office of Citywide Recruitment. Human Capital also manages and streamlines HR processes for City agencies, which include but are not limited to, health benefits, tax details, and payroll. In addition, Human Capital offers civil service-related customer service to City employees and the public, and plays a critical role in auditing and processing personnel transactions for over 300,000 City employees.

Facilities Management & Construction

Facilities Management & Construction (FMC) is responsible for the operations, maintenance, construction, and modernization of 56 City-owned buildings across the five boroughs, encompassing more than 15 million square feet. This includes City Hall, the Manhattan and Brooklyn municipal buildings, and each of the five Borough Halls. FMC was established through the strategic merger of the Facilities Management (FM) and Construction & Technical Services (CTS) divisions in 2025, with the goal of creating a more streamlined, efficient, and coordinated approach to the City's building operations. By unifying these services under a single line of leadership, FMC delivers essential services that ensure the safety, functionality, and sustainability of DCAS-managed properties. FMC teams oversee both the day-to-day operational needs of tenants and long-term capital improvement projects that support Citywide goals for resiliency, energy efficiency, and accessibility. FMC is organized into six business units: Mechanical Maintenance & Operations (MMO), Building Services (BS), Contract Administration, Construction, Energy Management, and Fire & Life Safety.

Real Estate Services

DCAS Real Estate Services (RES) is the real estate arm of the City of New York, with responsibility for the acquisition (lease or purchase) and disposition of real estate owned by the City. RES assists agencies with finding suitable and cost-effective space for their operations, in both City-owned and leased space. RES negotiates and administers leases of private space occupied by City agencies, undertakes acquisitions of property needed for City use, and performs and coordinates architectural and other services associated with renovations and agency relocations. In addition, RES administers short- and long-term agreements that permit the private use of City-owned property.

Energy Management

DCAS Energy Management (DEM) provides centralized energy management for the City's fixed asset portfolio. It is responsible for purchasing the energy necessary to operate the City's schools and community colleges, cultural institutions, libraries, offices, police precincts, fire houses, wastewater resource recovery facilities, and other essential sites. DEM continues to reduce the emissions impact of City government operations through energy efficiency projects and the deployment of solar photovoltaic systems on City infrastructure, among other measures. To ensure the City makes a just transition to a clean energy economy, DEM will continue to invest in reducing energy use in government buildings and enhancing social infrastructure in disadvantaged communities to help improve local energy reliability, resiliency, air quality, and public health.

Office of Citywide Procurement

The Office of Citywide Procurement (OCP) is responsible for purchasing, inspecting, warehousing, and distributing supplies and equipment at the lowest possible cost. OCP also assists in disposing of surplus heavy equipment and goods. On average, DCAS registers about \$1.2 billion worth of goods and services for the City through approximately 630 Citywide requirement contracts and one-time purchases. DCAS uses the City's purchasing power to get the best prices for goods and services by combining demand and consolidating contracts. DCAS also aims to increase the participation of minority and women-owned businesses by breaking down large contracts when suitable and using the best value procurement method when possible.

Fleet Management

The DCAS Division of Fleet Management is responsible for managing the City of New York’s vehicle fleet of over 28,500 vehicles. NYC maintains fleet units at 37 dedicated repair facilities and additional satellite locations, in addition to more than 400 in-house fueling locations and over 2,450 electric vehicle charging ports. Fleet Management directs the City’s vehicle maintenance contracts; fuel, vehicle collisions, defensive driver training; real-time vehicle tracking; and alternative fuel programs. The division also leads Citywide fleet efforts in areas of safety, sustainability, transparency, emergency preparedness, resource management, and shared services.

Office of Citywide Equity and Inclusion

DCAS’ Office of Citywide Equity and Inclusion (CEI) sets the standards for City agencies to implement the City’s Equal Employment Opportunities (EEO)

policy, procedures, laws, and mandates designed to prevent workplace discrimination and harassment under the City’s legally protected categories. The Office develops and updates the City’s equity trainings portfolio, which promotes awareness of rights, responsibilities, and resources for the City workforce. It also designs and organizes mandatory Citywide EEO Officer best practices meetings and other professional development programs for EEO professionals, as well as conducting third-party EEO investigations when an agency head or EEO Officer is a party in the matter. Additionally, it promotes compliance with training programs and reporting requirements; designs and implements initiatives that align with legislation and legal mandates; develops and maintains compliance tools and reference resources; provides guidance to agencies on emerging issues related to fair and effective employment practices, many of which impact retention and inclusivity; reviews and provides general guidance to agencies in preparation of their annual EEO plans and quarterly updates, as authorized by the New York City Charter.

Capital Review

The Four-Year Plan totals \$3.1 billion, including \$264.9 million for the renovation, reconstruction, and outfitting of public buildings, \$1.9 billion for energy efficiency initiatives, \$0.6 million for real property, and \$425.5 million for Citywide resiliency and waterfront rehabilitation. The table below shows capital commitments by program area over the FY 2027-2030 period.

Capital Commitments
(\$ in 000’s)

	2025 Actual		2026 Plan		2027 Plan		2028 Plan		2029 Plan		2030 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Rehabilitation of City-												
Owned Space	\$42,831	\$43,123	\$60,370	\$60,370	\$103,052	\$103,052	\$131,225	\$131,225	\$12,762	\$12,762	\$17,846	\$17,846
Renovation of Other												
City-Owned Facilities.....	9,853	9,853	11,773	11,773	60,679	60,679	65,608	65,608	29,850	29,850	13,251	13,251
Rehabilitation of Court												
Buildings.....	—	—	—	—	—	—	200	200	1,587	1,587	—	—
Legal Mandates and Correction												
of Unsafe Conditions.....	47,647	47,647	21,602	22,352	26,502	26,502	4,700	4,700	5,811	5,811	—	—
Renovation of Leased Space.....	3,223	3,223	13,052	13,052	153	153	2,365	2,365	12,563	12,563	6,444	6,444
Equipment and												
Interagency Services.....	21,820	21,820	41,386	41,386	20,629	20,629	10,331	10,331	22,717	22,717	6,727	6,727
Communications Equipment	—	—	—	7,781	—	—	—	—	—	—	—	—
Board of Elections	—	—	—	—	—	—	—	—	—	—	—	—
Miscellaneous Construction.....	19,848	19,848	33,131	33,131	30,880	32,657	34,537	34,537	68,023	68,023	104,951	104,951
Acquisition of Real Property.....	1,172	1,172	360	2,850	—	—	—	—	600	600	—	—
Energy Efficiency and												
Sustainability	480,537	480,537	491,744	491,744	556,314	556,314	483,581	483,581	491,145	491,145	342,756	342,756
Resiliency and												
Protective Measures.....	292,784	377,571	459,685	555,471	244,533	245,179	131,640	131,640	29,532	29,532	19,161	291,487
Rehabilitation of Waterfront												
& Non-Waterfront Properties	2,180	2,180	2,368	2,368	1,565	1,565	639	639	484	484	50	50
Total	\$921,895	\$1,006,974	\$1,135,471	\$1,242,278	\$1,044,307	\$1,046,730	\$864,826	\$864,826	\$675,074	\$675,074	\$511,186	\$783,512

Highlights of the 2027-2030 Four-Year Plan

- Reconstruction and rehabilitation of public buildings and City-owned facilities (\$264.9 million), including projects at the Manhattan Municipal Building (\$94.8 million), 253 Broadway (\$12.2 million), 1932 Arthur Avenue (\$1.8 million), and Queens Borough Hall (\$6.4 million).
- Legal mandates (\$37.0 million), including fire/life safety upgrades to ensure Local Law 5 compliance (\$19.2 million), façade upgrades to ensure Local Law 11 compliance (\$3.9 million), and upgrades to bathrooms and other facilities to ensure ADA compliance (\$10.2 million).
- Renovation of other City-owned facilities (\$169.4 million), including the reconstruction of 70 Mulberry Street (\$149.1 million).
- Miscellaneous construction in other facilities (\$177.6 million), including installation of charging infrastructure for electric vehicles (\$49.4 million).
- Renovation of leased space (\$21.5 million).
- Equipment and interagency services (\$60.4 million)
- Acquisition of real property (\$0.6 million).
- Rehabilitation of court buildings (\$1.8 million).
- Rehabilitation of waterfront and non-waterfront properties (\$2.7 million).
- Citywide agency resiliency and waterfront rehabilitation (\$425.5 million), including the East Side Coastal Resiliency project (\$112.7 million), the Brooklyn Bridge – Montgomery Coastal Resiliency project (\$16.8 million), and rehabilitation of the substructure of Harlem River Park between 125th Street and 135th Street (\$63.5 million).
- Energy efficiency measures and building retrofits (\$1.9 billion), including funding for the Accelerated Conservation and Efficiency (ACE) Program (\$146.7 million), Solar panels at Citywide facilities (\$43.9 million), and other energy efficiency upgrades for various projects (\$1.7 billion).

OFFICE OF TECHNOLOGY AND INNOVATION

In January 2022, the City's various technology offices were consolidated into a single entity, the Office of Technology and Innovation (OTI), under the Chief Technology Officer (CTO). The legacy offices reporting to OTI and led by the CTO include: the NYC Department of Information Technology and Telecommunications (DoITT), the Mayor's Office of the Chief Technology Officer (MOCTO), the Mayor's Office of Information Privacy (MOIP), the Mayor's Office of Data Analytics (MODA), NYC Cyber Command (NYC3), and NYC311.

OTI makes up the technology core of New York City government, partnering with over 100 city agencies and entities to deliver the technology they need to serve and empower New Yorkers. OTI's IT infrastructure and technology solutions help keep the five boroughs safe, strong, and connected by providing citywide coordination and technical expertise in the development and use of data, voice, and video technologies to improve government services and operations to benefit the city and its residents. To ensure the city continues to be a leader in technology and innovation, OTI develops and manages large city IT projects and contracts, provides infrastructure support for data processing and communications services to numerous agencies, and administers the city's cable television, public communications structures, and mobile and information services telecommunications franchises.

Financial Review

OTI's 2027 Executive Budget provides for an operating budget of \$754.1 million, a decrease of \$232.7 million over the amount forecasted for 2026. This change is largely attributable to funding added for one year in the 2026 forecast, intra-city agreements for telecommunications that have not yet been renewed, and other categorical funding that has not yet been recognized.

Revenue Forecast

The Office collects revenue from cable television, information services and mobile telecommunications franchises, advertising on wireless internet kiosks, and international programming fees for the use of NYC TV, the city's cable television network. OTI will generate \$140.6 million in revenue for 2027.

Expense Budget Highlights

Budgetary Priorities: Providing Core IT Services

- The Office's 2027 Executive Budget includes \$122.9 million for services that OTI purchases on behalf of client agencies, including telecommunications, data, and consultant services.
- The Office's 2027 Executive Budget provides \$112.5 million for Infrastructure Management Division. This division is, in part, responsible for the data center operations and fiber optic network that provide data processing and networking services to over 120 city agencies and entities, 24 hours a day, seven days a week.
- The Office's 2027 Executive Budget provides \$103.8 million for the New York City Cyber Command, overseeing the protection of all city systems against cyber threats, including systems that deliver vital services to New Yorkers.
- The Office's 2027 Executive Budget provides \$121.2 million for the Public Safety and Emergency Management Division, which manages critical life safety technology such as the 9-1-1 Emergency System and associated Public Safety Answering Centers.
- The Office's 2027 Executive Budget provides \$64.5 million for the 311 Citizen Service Center, providing the public with continuous access to non-emergency city services through one phone number.
- The Office's 2027 Executive Budget provides \$24 million for the administration of the Mayor's Office of Media and Entertainment's four divisions: NYC Media, the Film Office, the Press Credentials Office, and Creative Sector Programs.

Summary of Agency Financial Data

The following table compares 2027 Executive Budget with the 2027 Preliminary Budget, the 2026 forecast and actual expenditures for 2025, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2025 Actual	2026 Forecast	2027		2026	2027
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$173,697	\$182,779	\$178,589	\$188,268	\$5,489	\$9,679
Fringe Benefits	—	—	—	—	—	—
OTPS	748,605	803,988	523,956	565,790	(238,198)	41,834
Total	\$922,302	\$986,767	\$702,545	\$754,058	(\$232,709)	\$51,513
Funding						
City	\$726,292	\$778,390	\$551,276	\$608,618	(\$169,772)	\$57,342
Other Categorical Grants	3,356	11,568	843	843	(10,725)	—
IFA	1,587	2,319	—	—	(2,319)	—
State	6,073	15,916	—	—	(15,916)	—
Federal CD	100	1,935	1,060	1,060	(875)	—
Federal Other	1,393	436	—	—	(436)	—
Intra-City Other	183,501	176,203	149,366	143,537	(32,666)	(5,829)
Total	\$922,302	\$986,767	\$702,545	\$754,058	(\$232,709)	\$51,513
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$59,704	\$65,228	\$71,571	\$65,954	\$726	(\$5,617)
Pensions	27,306	23,875	28,312	22,175	(1,700)	(6,137)
Other Than Personal Service (OTPS)						
Debt Service	—	—	—	—	—	—
Total Additional Costs	\$87,010	\$89,103	\$99,883	\$88,129	(\$974)	(\$11,754)
Funding						
City	85,764	87,777	98,267	86,948	(829)	(11,319)
Non-City	1,246	1,326	1,616	1,181	(145)	(435)
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$173,697	\$182,779	\$178,589	\$188,268	\$5,489	\$9,679
Fringe Benefits	59,704	65,228	71,571	65,954	726	(5,617)
Pensions	27,306	23,875	28,312	22,175	(1,700)	(6,137)
Total PS	\$260,707	\$271,882	\$278,472	\$276,397	\$4,515	(\$2,075)
OTPS	\$748,605	\$803,988	\$523,956	\$565,790	(238,198)	\$41,834
Debt Service	—	—	—	—	—	—
Total OTPS	\$748,605	\$803,988	\$523,956	\$565,790	(\$238,198)	\$41,834
Total Agency Costs	\$1,009,312	\$1,075,870	\$802,428	\$842,187	(\$233,683)	\$39,759
Less Intra-City	183,501	176,203	149,366	143,537	(32,666)	(5,829)
Net Agency Cost	\$825,811	\$899,667	\$653,062	\$698,650	(\$201,017)	\$45,588
Funding						
City	812,056	866,167	649,543	695,566	(170,601)	46,023
Non-City	13,755	33,500	3,519	3,084	(30,416)	(435)
Personnel (includes FTEs at fiscal year-end)						
City	1,524	1,531	1,542	1,601	70	59
Non-City	11	21	4	4	(17)	—
Total	1,535	1,552	1,546	1,605	53	59

Programmatic Review and Service Impact

OTI is committed to spearheading continuous growth in the city's technology and providing world class IT services so that the City of New York continues to be a leader in technology and innovation. The Office's initiatives reflect OTI's mission of providing resilient, scalable, and leading IT services, infrastructure, and telecommunications to city agency partners, improving government operations and services for the benefit of NYC residents, businesses, and visitors.

In recognition of the essential nature of broadband, OTI is working with its city partners to facilitate access to affordable, reliable, high-speed broadband. OTI continues to support the ongoing deployment of LinkNYC, a free, high-speed, citywide Wi-Fi network. LinkNYC kiosks have replaced the aging network of public pay telephones across all five boroughs.

OTI's Citywide Data Center allows the city to leverage IT expertise, personnel, and enterprise architecture management to avoid duplicative efforts across city agencies and improve efficiency and effectiveness. OTI also manages CityNet, the city's institutional fiber network; NYC.gov, the city's official website; the citywide Radio Network (Channel 16); the 800 MHz Radio Network; and the citywide Geographic Information Systems Unit. OTI also provides administrative and IT support to various other tech initiatives to help streamline agency operations and deliver services that make life better for New Yorkers.

OTI also helps facilitate citywide coordination and collaboration on technology issues, serves as a catalyst for and advises agencies on innovation, and interacts with the wider New York City technology ecosystem.

Sustainable Broadband Adoption

In support of the city's goal to expand access to free and low-cost quality broadband, OTI launched Big Apple Connect in September 2022. The first phase of Big Apple Connect provided residents of 135 NYCHA sites with access to free broadband and basic cable TV. Subsequent expansions have made the program available to 330,000 New Yorkers across more than 220 sites. In addition, OTI's franchisee has continued installation of LinkNYC, growing the network to over 2,100, as of April 2024 with a commitment to complete no less than 4,000 kiosks and giving priority to 13 equity community districts across the boroughs. Link5G, the newest phase of LinkNYC, arrived in July

2022 with priority given to underserved areas across the five boroughs. OTI also administers the funding for NYC Connected Communities, which provides \$3.8 million per year to a range of city partners to increase public broadband access, computer literacy, and job readiness training in communities of need.

NYC.gov

NYC.gov, the official website of the City of New York, is the city's digital face to the world. Home to more than 250 NYC.gov websites, representing city agencies, entities, organizations, and initiatives, NYC.gov receives more than 70 million unique visitors who view nearly 325 million pages of content each year. Additionally, NYC.gov serves as a launching point to access city government on other digital platforms such as mobile applications, social media, and targeted alerts. From the homepage, users can find important alerts, watch mayoral announcements live, make a 311 service request, get customized information about their neighborhood, and discover new programs and events.

Cyber Command

Cyber Command is charged with setting the City's information security and policy standards, leading citywide cyber defense, investigation and incident response, and proactively disseminating threat intelligence. Cyber Command continues to use the latest technologies and leveraging public-private partnerships to protect, detect, respond, and recover from cyber threats.

Cyber Command is also taking a leading role in protecting the digital lives of all New Yorkers. In February 2022, the City and New York State partnered to headquarter a Joint Security Operations Center (JSOC) in OTI's downtown Brooklyn office to bolster the city and the state's ability to combat cybersecurity threats and attacks. The JSOC centralizes cybersecurity expertise and streamlines threat intelligence and responses in the event of a significant cyberattack by housing Cyber Command with federal and state law enforcement entities, and with representatives from other local and county governments in the same location. In April 2023, OTI graduated the city's inaugural Cyber Academy class - a specialized training program designed to bolster the city's cybersecurity workforce and enhance agency cyber capabilities to defend against threats to essential services and critical

infrastructure. To date, 75 city employees from 61 city entities have graduated from the program.

Cyber Command manages NYC Secure, a free mobile security application it launched in 2018, aimed at protecting New Yorkers online. Using a steadily evolving suite of solutions, NYC Secure helps New Yorkers defend against malicious cyber activity on their mobile devices, across public Wi-Fi networks, and beyond.

Information Privacy

The NYC Office of Information Privacy, led by the NYC Chief Privacy Officer, works to protect the privacy of New Yorkers' identifying information, while maximizing opportunities for data sharing across city agencies, as permitted by law. The Chief Privacy Officer aims to increase access to and strengthen coordination of services for individuals and families, and to encourage innovative projects that advance equity and opportunity for all New Yorkers. In collaboration with city agencies, the Chief Privacy Officer works to improve the way the city uses data to inform fair, equitable policies and best practices.

Public Safety Answering Centers (PSACs) Communications

The city continues work on planned upgrades and enhancements to its 9-1-1 Emergency System. Most of the capital funding for 9-1-1 technology initiatives is contained within OTI's budget. This includes both the technology refresh of end-of-life systems across the city's two Public Safety Answering Centers (PSACs) as well as transitioning to a Next Generation 9-1-1 system, which will allow for the seamless transfer of digital information from the public to the city's 9-1-1 systems. In June 2020, the interim Text to 9-1-1 solution was implemented to provide people who are unable to connect via existing voice services with greater access to the 9-1-1 system. The Next Generation 9-1-1 Program completed a major milestone in October of 2024 when the GIS Location Database was successfully cut over. In June 2025, the City completed the migration of all OSP (Originating Service Provider) connectivity to the Next Generation 9-1-1 ESINet (Emergency Services IP Network) from legacy analog Emergency 9-1-1 communications. The Program continues to progress through implementation and testing of the City's Next Generation 9-1-1 Call Handling System (CHS) and is targeting beginning migrations in late 2026.

Data Analytics

The Office of Data Analytics applies strategic analytical thinking to data to help city agencies deliver services more equitably and effectively, and to increase operational transparency. OTI's Data Analytics and Open Data teams will continue collaborating with agencies to implement data-driven solutions for service delivery and resident engagement, working to implement the city's Open Data Law and engage constituents, and facilitating data sharing among city agencies.

Geographic Information Systems

OTI's Geographic Information Systems (GIS) Unit plays a vital role in providing comprehensive geospatial solutions for various agencies. By developing and hosting interactive maps, geo-referenced data, and associated tools and services, OTI supports enterprise-wide geospatial applications. One of its flagship offerings is NYCCityMap, which includes a detailed physical base map and planimetrics of New York City sourced from aerial photography. Through the utilization of NYCCityMap and similar cutting-edge technologies, OTI collaborates with city agencies to launch numerous interactive websites and applications catering to diverse audiences and addressing a wide range of needs.

NYC311 Customer Service Center

311 is the nation's largest and most comprehensive government information and services center. It is available 24 hours a day, 7 days a week. New Yorkers can connect with 311 via online, mobile app, text, phone, or on social media. 311 continues to expand accessibility of government services to non-English speakers, with telephone translation services available in over 175 languages and with 311 Online available in more than 100 languages. Since its launch, 311 has received more than 570 million contacts and has been a clearinghouse for all things related to New York City government, providing information on more than 2,000 topics, routing details of public inquiries to the appropriate city agencies and providing customers with service request numbers to track the progress of their inquiry.

Mayor's Office of Media and Entertainment

The New York City Mayor's Office of Media and Entertainment (MOME) streamlines government

communications by making more information accessible, leveraging technology to aid in the transparency of government, and by supporting relevant industries in New York City. NYC Media, the official broadcast network and media production group of the City of New York, operates the city's five cable television channels, three broadcast television channels, and one FM radio station. MOME's Film Office supports New York City's film and television production industry and issues permits for the use of city property alongside their Press Credentials Office, which issues press credentials. The Creative Sector Programs Division oversees the agency's workforce and industry development programs.

Streamlining Agency Operations

OTI will continue to leverage the city's data centers, fiber optic network, and other resources to reduce costs for city agencies in need of internet access, data center hosting and management, e-mail, security and firewall solutions, disaster recovery sites, wireless solutions, and remote access. The OTI Capital Plan for 2027-2030 includes \$317.5 million for infrastructure improvements associated with these citywide initiatives.

ECONOMIC DEVELOPMENT

Fostering an economic environment that strengthens neighborhoods throughout New York City requires a multi-faceted approach, coordinated between multiple agencies. The two main entities responsible are the Department of Small Business Services (SBS) and the New York City Economic Development Corporation (NYCEDC). SBS makes it easier for businesses in New York City to form, do business and grow by providing direct assistance to business owners, fostering neighborhood development, seeking to reduce regulatory burdens, and linking employers to a skilled and qualified workforce. NYCEDC's mission is to encourage inclusive economic growth throughout the five boroughs of New York City by facilitating investments that create jobs and strengthen neighborhoods.

The Department of Small Business Services (SBS)

SBS helps unlock economic potential and create economic security for all New Yorkers by connecting people to jobs, creating stronger businesses, and building thriving neighborhoods across the five boroughs. SBS operates the City's NYC Business Solutions Centers, Industrial Business Solutions Providers and Workforce 1 Career Centers; provides grants and services to support the growth of local community and economic development organizations throughout the City; oversees the largest network of Business Improvements Districts (BIDs) in the country; and administers the Minority and Women-owned Business Enterprise (M/WBE) Program. In addition, SBS's budget supports the Office of Nightlife (ONL), the Mayor's Office of Talent and Workforce Development (MOTWD), the Mayor's Office of Minority and Women-owned Business Enterprises (MOMWBE), and the Mayor's Office of Environmental Remediation (MOER).

SBS also contracts with NYCEDC, NYC Tourism + Conventions, the Trust for Governors Island (TGI) and the Brooklyn Navy Yard Development Corporation (BNYDC), to bolster economic development in the five boroughs.

New York City Economic Development Corporation (NYCEDC)

NYCEDC is a not-for-profit organization under contract with SBS. It manages City-owned properties; invests in major infrastructure upgrades and capital projects; conducts area-wide planning and real estate development; and works to support the City's major business sectors. NYCEDC addresses challenges faced by industries through analysis of current economic trends, development of strategies and solutions, and implementation of programs that help businesses thrive and grow. Through the New York City Industrial Development Agency (NYCIDA) and Build New York

City Resource Corporation (Build NYC), NYCEDC helps eligible businesses meet financing needs for property acquisition, new equipment, renovation and working capital through low-cost tax-exempt bonds and exemptions and abatements of selected City and State taxes.

Brooklyn Navy Yard Development Corporation (BNYDC) and Trust for Governors Island (TGI)

SBS also contracts with the BNYDC and the TGI for the purposes of economic development and rehabilitating City-owned assets. Since 1981, BNYDC has operated the Brooklyn Navy Yard on behalf of the City and has diversified the types of businesses that operate at the Navy Yard. Currently, over 550 businesses employ over 13,000 people at the Navy Yard's 300-acre campus, generating \$2.5 billion per year in economic impact for the City.

In 2011, the City of New York assumed responsibility for the development and operation of Governors Island, located in Upper New York Harbor. Since assuming control of the Island, the City has made major investments at the Island to increase public access and to prepare it for future development. With these investments, TGI has fortified the Island against natural disasters, rehabilitated the Island's electrical and maritime infrastructure, created new parkland, stabilized historic buildings, and attracted private development. Capitalizing on these investments, the Island is poised to serve as the anchor to NYC's efforts to mitigate climate change by housing The New York Climate Exchange.

Financial Review

The 2027 Executive Budget provides \$226.2 million for operating expenses at SBS, comprised of \$180.6 million of City funding and \$45.6 million of non-City sources. The SBS operating budget includes

allocations for NYCEDC, the Mayor’s Office of Environmental Remediation (MOER), NYC Tourism + Conventions, TGI, the Mayor’s Office of Talent and Workforce Development (MOTWD), the Mayor’s Office of Minority and Women-owned Business Enterprises (MOMWBE), and the Office of Nightlife (ONL).

Capital commitments of \$2.6 billion are forecast in the 2027-2030 Capital Plan. Of this amount, \$2.3 billion reflects City capital commitments. The remaining \$0.3 billion reflects Federal and State commitments.

Expense Budget Highlights

SBS

Workforce Development Division (WDD)

- In partnership with the Mayor’s Office of Talent & Workforce Development (MOTWD), the Workforce Development Division helps New Yorkers build careers by training local residents to acquire skills in growing fields, connecting jobseekers to employers with open positions, and developing job search skills through resume and interviewing workshops. The 2027 Executive Budget provides \$56.5 million in City, Federal, and State funds to this division in 2027.

Division of Business Services (DBS)

- The Business Services Division helps businesses to start, operate, and grow by connecting entrepreneurs to resources. SBS’ services include business courses, legal services, assistance interpreting government rules and regulations, and helping entrepreneurs apply for funding to launch or grow a business. The 2027 Executive Budget provides \$34.3 million in City and Federal funds to this division in 2027.

Neighborhood Development Division (NDD)

- The Neighborhood Development Division supports community-based organizations throughout New York City to strengthen commercial corridors and build vibrant neighborhoods. SBS does this by overseeing 78 Business Improvement Districts (BIDs); offering training, tools, and one-on-one assistance to local community-based organizations; administering grant programs to strengthen and revitalize commercial districts; and working with community partners to identify local commercial

district needs and plan targeted solutions. The 2027 Executive Budget provides \$12.3 million in City and Federal funds to this division in 2027.

Division of Economic and Financial Opportunity (DEFO)

- In partnership with the Mayor’s Office of Minority and Women-owned Business Enterprises (MOMWBE), the Division of Economic and Financial Opportunity (DEFO) certifies minority- and women-owned businesses (M/WBEs) and helps them compete for government contracts by providing technical assistance. The office serves as a One-Stop resource for M/WBEs interested in doing business with the City and its agencies. The 2027 Executive Budget provides \$6.9 million in City and Federal funds to this division in 2027.

NYCEDC

- NYCEDC derives revenues primarily from the management of City-owned property, financing fees, and land sale proceeds. Through a contract with SBS, the Executive Plan will provide NYCEDC \$57 million in City, Federal, and State funds in 2027. Proceeds will continue to support EDC’s efforts to activate economic potential, support burgeoning industries and effectively manage City assets.

NYC Tourism + Conventions (NYCT+C)

- Through a contract with SBS, NYC Tourism + Conventions (formerly NYC & Company) will receive \$23.1 million in City funding in 2027 for its work to promote the City as the country’s premier tourist destination. The agency rebranded as New York City Tourism + Conventions to create a more visitor-focused brand strategy and approach to promoting the City. NYCT+C serves as the City’s official marketing organization and provides partnership services to events and local businesses across the five boroughs.

Trust for Governors Island (TGI)

- Through a contract with SBS, the 2027 Executive budget will provide TGI \$17.9 million in City funding towards the management and operation of the Island in 2027, as well as capital funds for further investment in infrastructure, improvement of the ferry landings, and restoration of landmark buildings.

*Brooklyn Navy Yard Development Corporation
(BNYDC)*

- BNYDC receives no direct operating funds from the City, deriving revenues primarily from the management of City properties. Through a contract with SBS, BNYDC will receive capital funds for investments in infrastructure. BNYDC retains and attracts manufacturing business in NYC by providing space and a stable environment for the Yard's tenants to grow.

Summary of Agency Financial Data

The following table compares 2027 Executive Budget with the 2027 Preliminary Budget, the 2026 forecast and actual expenditures for 2025, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2025 Actual	2026 Forecast	2027		2026 Forecast	2027 Preliminary Budget
			Preliminary Budget	Executive Budget		
Expenditures						
Salary and Wages	\$31,362	\$36,776	\$41,521	\$40,926	\$4,150	(\$595)
Fringe Benefits	—	—	—	—	—	—
OTPS	245,619	317,353	143,953	185,255	(132,098)	41,302
Total	\$276,981	\$354,129	\$185,474	\$226,181	(\$127,948)	\$40,707
Funding						
City	\$192,375	\$252,459	\$140,009	\$180,593	(\$71,866)	\$40,584
Other Categorical Grants	5,505	—	—	—	—	—
IFA	—	—	—	—	—	—
State	289	996	—	—	(996)	—
Federal CD	6,589	6,481	2,711	2,711	(3,770)	—
Federal Other	59,979	85,022	42,079	42,202	(42,820)	123
Intra-City Other	12,244	9,171	675	675	(8,496)	—
Total	\$276,981	\$354,129	\$185,474	\$226,181	(\$127,948)	\$40,707
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$11,815	\$13,832	\$15,060	\$14,427	\$595	(\$633)
Pensions	4,296	4,390	5,112	4,004	(386)	(1,108)
Other Than Personal Service (OTPS)						
Debt Service	148,604	121,864	138,877	150,966	29,102	12,089
Total Additional Costs	\$164,715	\$140,086	\$159,049	\$169,397	\$29,311	\$10,348
Funding						
City	159,097	131,456	153,174	159,844	28,388	6,670
Non-City	5,618	8,630	5,875	9,553	923	3,678
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$31,362	\$36,776	\$41,521	\$40,926	\$4,150	(\$595)
Fringe Benefits	11,815	13,832	15,060	14,427	595	(633)
Pensions	4,296	4,390	5,112	4,004	(386)	(1,108)
Total PS	\$47,473	\$54,998	\$61,693	\$59,357	\$4,359	(\$2,336)
OTPS	\$245,619	\$317,353	\$143,953	\$185,255	(\$132,098)	\$41,302
Debt Service	148,604	121,864	138,877	150,966	29,102	12,089
Total OTPS	\$394,223	\$439,217	\$282,830	\$336,221	(\$102,996)	\$53,391
Total Agency Costs	\$441,696	\$494,215	\$344,523	\$395,578	(\$98,637)	\$51,055
Less Intra-City	12,244	9,171	675	675	(8,496)	—
Net Agency Cost	\$429,452	\$485,044	\$343,848	\$394,903	(\$90,141)	\$51,055
Funding						
City	351,472	383,915	293,183	340,437	(43,478)	47,254
Non-City	77,980	101,129	50,665	54,466	(46,663)	3,801
Personnel (includes FTEs at fiscal year-end)						
City	220	306	320	313	7	(7)
Non-City	93	109	110	106	(3)	(4)
Total	313	415	430	419	4	(11)

Capital Review

The goal of the Four-Year Plan is to encourage development that creates and retains jobs in New York City, bolsters the City's tax base, and transforms underutilized land and waterfront property for modern uses. The 2027-2030 Four-Year Plan totals \$2.6 billion in capital funding, including \$2.3 billion in City capital commitments, as well as \$0.2 billion in Federal and \$0.1 billion in State funds.

The table below shows capital commitments by program area over the FY 2027-2030 period.

Capital Commitments (\$ in 000's)

	2027 Plan		2028 Plan		2029 Plan		2030 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Neighborhood Revitalization.....	\$153,540	\$173,027	\$53,278	\$67,278	\$98,004	\$108,004	\$114,154	\$114,154
Waterfront Development.....	\$128,868	\$178,363	\$84,851	\$89,314	\$117,689	\$117,689	\$109,670	\$114,670
Industrial Development.....	\$135,121	\$138,092	\$216,455	\$216,455	\$83,523	\$83,523	\$80,813	\$80,813
Commercial Development.....	\$115,035	\$115,035	\$31,295	\$31,295	\$62,119	\$65,889	\$36,439	\$36,439
Miscellaneous.....	\$178,507	\$179,761	\$128,902	\$128,902	\$54,969	\$54,969	\$77,100	\$77,100
Community Development.....	\$13,954	\$13,954	\$19,000	\$19,000	\$10,000	\$10,000	\$20,000	\$20,000
Market Development.....	\$47,438	\$113,438	\$35,388	\$73,888	\$48,291	\$107,462	\$21,001	\$52,975
Cultural Development.....	\$6,483	\$6,483	\$26,682	\$26,682	\$5,125	\$5,125	\$21,286	\$21,286
Total.....	\$778,946	\$918,153	\$595,851	\$652,814	\$479,720	\$552,661	\$480,463	\$517,437

Highlights of the Four year plan:

The 2027-2030 Plan allocates \$393.7 million to modernize the Hunts Point Food Distribution Markets. This includes \$84.8 million in Federal Grant funding, \$95.3 million in State Grant funding and \$56.2 million in City capital funding to redevelop the Hunts Point Produce Market.

The 2027-2030 Plan includes \$278.1 million for the rehabilitation of existing structures, public access improvements, and infrastructure upgrades to support public open space and future redevelopment at Governors Island. This includes infrastructure improvements to support the development and construction of the New York Climate Exchange Campus (\$126 million).

A total of \$246.7 million is budgeted in the 2027-2030 Four-Year Plan for development of and improvements to the Brooklyn Army Terminal. Funding includes tenant space activation and fit-out of a new Climate Innovation Hub in Building A (\$127.0 million).

A total of \$209.9 million is allocated in the 2027-2030 Four-Year Plan for the rehabilitation of existing structures, public access improvements, and infrastructure upgrades to support future redevelopment at Brooklyn Navy Yard.

A total of \$173.8 million is allocated in the Four-Year Plan for Bush Terminal, including ongoing development of Building C (\$109.8 million) and Building D (\$16.1 million).

A total of \$110.1 million in the 2027-2030 Four-Year Plan is allocated for infrastructure work related to the NYC Ferry, including the reconstruction of the East 34th Street landing (\$38.0 million) and the ongoing construction of the second Ferry homeport (\$33.0 million).

A total of \$89.5 million in the 2027-2030 Four-Year Plan for the development of the Manhattan Greenway, a continuous 32.5-mile route around Manhattan intended to transform the waterfront into a green attraction for recreational and commuting use.

A total of \$87.8 million is budgeted in the Four-Year Plan for Phase II of the ongoing development of Willets Point, including upgrades to sewers, watermains, and new streets.

A total of \$80.1 million is allocated in the 2027-2030 Four-Year Plan for the rehabilitation of the Manhattan Cruise Terminal, including the reconstruction and encapsulation of Pier 94 (\$31.4 million).

A total of \$70.0 million is allocated in the Four-Year Plan for the development and activation of five sites for city-owned grocery stores, one in each borough.

LIBRARIES

The City of New York funds three independently operated public library systems, each administered by a separate board of trustees. The Brooklyn Public Library (BPL) oversees the operation of 60 branches, a Central Library and the Center for Brooklyn History. The New York Public Library (NYPL) is made up of 88 neighborhood branches throughout the Bronx (35 branches), Manhattan (40 branches), and Staten Island (13 branches), and four research centers located in Manhattan. NYPL's four research centers are the Stephen A. Schwarzman Building, the New York Public Library for the Performing Arts, the Schomburg Center for Research in Black Culture, and the Thomas Yoseloff Business Center. The Queens Public Library (QPL) consists of 66 branches including a Central Library, seven adult learning centers, a technology lab, a community learning center at the Ravenswood public housing complex, a universal pre-kindergarten, a teen library and four teen centers.

Financial Review

The Libraries' 2027 Executive Budget provides for operating expenses of \$526.6 million. Capital commitments of \$327.9 million are also provided, an increase of \$55.0 million above the 2026 Plan amount.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- In 2027, the operating subsidy for the Brooklyn Public Library will be \$145.9 million.
- In 2027, the operating subsidy for the New York Public Library will be \$192.0 million.
- In 2027, the operating subsidy for the New York Public Library's research libraries will be \$38.4 million.
- In 2027, the operating subsidy for the Queens Public Library will be \$150.4 million.

Summary of Agency Financial Data

The following table compares 2027 Executive Budget with the 2027 Preliminary Budget, the 2026 forecast and actual expenditures for 2025, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2025 Actual	2026 Forecast	2027		2026	2027
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$—	\$—	\$—	\$—	\$—	\$—
Fringe Benefits	—	—	—	—	—	—
OTPS	507,570	531,056	491,436	526,629	(4,427)	35,193
Total	\$507,570	\$531,056	\$491,436	\$526,629	(\$4,427)	\$35,193
Funding						
City	\$498,401	\$524,607	\$491,403	\$526,596	\$1,989	\$35,193
Other Categorical Grants ..	1,748	407	—	—	(407)	—
IFA	—	—	—	—	—	—
State	1	—	—	—	—	—
Federal CD	—	—	—	—	—	—
Federal Other	7	—	—	—	—	—
Intra-City Other	7,413	6,042	33	33	(6,009)	—
Total	\$507,570	\$531,056	\$491,436	\$526,629	(\$4,427)	\$35,193
Additional Costs Centrally Funded						
Other Than Personal Service (OTPS)						
Fringe Benefits	\$2,452	\$2,123	\$3,017	\$2,277	\$154	(\$740)
Pensions	36,283	41,831	45,270	45,270	3,439	—
Debt Service	76,849	93,626	107,598	84,505	(9,121)	(23,093)
Total Additional Costs ...	\$115,584	\$137,580	\$155,885	\$132,052	(\$5,528)	(\$23,833)
Funding						
City	113,849	134,158	154,813	129,048	(5,110)	(25,765)
Non-City	1,735	3,422	1,072	3,004	(418)	1,932
Full Agency Costs (including Central Accounts)						
Fringe Benefits	\$2,452	\$2,123	\$3,017	\$2,277	\$154	(\$740)
OTPS	507,570	531,056	491,436	526,629	(4,427)	35,193
Pensions	36,283	41,831	45,270	45,270	3,439	—
Debt Service	76,849	93,626	107,598	84,505	(9,121)	(23,093)
Total OTPS	\$623,154	\$668,636	\$647,321	\$658,681	(\$9,955)	\$11,360
Total Agency Costs	\$623,154	\$668,636	\$647,321	\$658,681	(\$9,955)	\$11,360
Less Intra-City	7,413	6,042	33	33	(6,009)	—
Net Agency Cost	\$615,741	\$662,594	\$647,288	\$658,648	(\$3,946)	\$11,360
Funding						
City	612,250	658,765	646,216	655,644	(3,121)	9,428
Non-City	3,491	3,829	1,072	3,004	(825)	1,932
Personnel (includes FTEs at fiscal year-end)						
City	—	—	—	—	—	—
Non-City	—	—	—	—	—	—
Total	—	—	—	—	—	—

* The 2027 Executive Budget provides an estimated 4,162 full-time and full-time equivalent positions, which are funded with City subsidies.

Programmatic Review and Service Impact

The three library systems will continue to provide services throughout the five boroughs at existing branches and at recently opened or rehabilitated libraries:

- In fall 2025, NYPL reopened the Muhlenberg Library in Manhattan following a top-to-bottom renovation.
- In spring 2025, NYPL reopened five, century-old historic Carnegie branches in high-needs areas following top-to-bottom renovations: Melrose and Hunts Point in the Bronx, Fort Washington and 125th Street in Manhattan, and Port Richmond in Staten Island.
- QPL opened a new Far Rockaway Library with seven-day service and reopened Bay Terrace, Broadway, and Hillcrest libraries following extensive renovations at each one. The NYC Department of Design and Construction moved forward with accessibility improvements at Hunters Point Library, and the Library also broke ground on the renovation of Hollis Library and the construction of an addition to Arverne Library.
- QPL finalized a lease for a new Court Square location at the 5PointzLIC residential complex in Long Island City and signed a lease for a new Lefrak City location in Corona.
- QPL purchased a new mobile library to provide permanent, weekly service to the Breezy Point community and to shelters, nursing homes, parks, schools and neighborhoods where libraries are closed for renovations or emergencies.
- BPL completed an infrastructure upgrade at the Mapleton Branch, which also includes a garden upgrade and new door from the branch to the garden. The branch is scheduled to reopen in late summer 2026.
- BPL plans to reopen the Carroll Gardens branch this summer after a new teen mezzanine was built (and additional mechanical improvements were made).

The three library systems continue to provide a variety of community programming throughout the five boroughs:

- Brooklyn Public Library continued to play an integral role in the lives of Brooklynites in 2025. Last fiscal year, BPL's 62 locations had over 6 million visitors and hosted over 83,000 free programs with an attendance of over 824,000. Circulation remains robust with almost 10 million items circulated last year, including books and e-books. Finally, BPL boasted 203,300 new library cards, another strong year for new members. BPL continues to press forward with its strategy to address significant deferred maintenance needs by partnering with the City to undertake self-managed capital grant projects with the redesign of the Canarsie, New Lots, Walt Whitman, and Pacific branches continuing throughout 2026. In addition to this, Borough Park, Brownsville, and Eastern Parkway are all closed for comprehensive renovations as traditional DDC-managed projects.
- The New York Public Library (NYPL) has been an essential presence in the Bronx, Manhattan, and Staten Island for over 125 years. The FY26 Preliminary Mayor's Management Report (PMMR) shows a steady increase in key metrics such as program attendance, library card holders, and computer and wireless sessions from FY23 through FY25.

Through programs like story time, family literacy workshops, and Pre-K for all partnerships, New York City's libraries have established themselves as the leading providers of early literacy programs and services in the city. The NYPL After School program offers drop-in homework help for school age children Monday through Thursday at over 50 locations. The Library's Teens initiatives give youth places to socialize, receive support from adults, and gain exposure to new experiences they need to find their voice. An important aspect of this initiative is Teen Centers, which provide safe and stable access to free technology, spaces to gather and socialize, and academic support. The NYPL College and Careers Pathways program works with graduating high school seniors to discuss their next steps, whether academic or professional. A recent Career Resources Fair for teens hosted 1,600 attendees with over 40 businesses, organizations, and nonprofits for internships, early-

career opportunities, and workforce development programs. NYPL's after school program provides tutoring, mentorship, and snacks on a "drop-in" model at 51 locations. During the 2024-2025 school year, total attendance for the after school program was just over 68,000 and NYPL expects to surpass that number this year as quarter-over-quarter growth already shows a 25 percent increase in attendance. NYPL's adult offerings vary across a range of professional development, skills-based, and hobby focused services. This includes financial literacy resources, tax preparation assistance, one-on-one career services, and technology classes (TechConnect) that help patrons develop professional competencies, such as coding and website development, among others. In addition to in-person programming and services, the three systems offer virtual classes and online resources, which allow the Library to reach individuals who are unable to visit their local branch. The City's public libraries additionally provide vital resources for immigrants and undocumented New Yorkers such as Adult English Language Learning (AELL) and civics classes. Other offerings provide space for patrons to explore new hobbies or become more advanced in current ones. This includes writing groups, book clubs, knitting classes, movie nights and a range of activities for children such as STEAM activities, arts and crafts, scientific experiments, or 3D printing. Between the three library systems, programs such as digital literacy classes, book discussions, story times, financial literacy, computer classes, "Know Your Rights" forums, health and wellness programs, and music and arts events, are offered in over 20 languages, depending on the service and location. Programs may be offered in Arabic, American Sign Language, Bengali, Cantonese, English, French, Haitian Creole, Hebrew, Italian, Japanese, Korean, Mandarin, Nepali, Portuguese, Russian, Spanish, Tagalog, Urdu, and Yiddish.

- Queens Public Library is one of the largest and busiest public library systems in the United States, dedicated to serving the most ethnically and culturally diverse area in the country. It offers free access to a collection of more than 5 million books and other materials in 50 languages, technology, and digital resources. Each year, the Library hosts tens of thousands of online and in-person educational, cultural, and civic programs and welcomes millions of visitors through its doors. With a presence in nearly every neighborhood across the borough of Queens, the Library consists of 66 locations, including branch libraries, a Central Library, seven adult learning centers, a technology lab at the Queensbridge public housing complex, a community learning center at the Ravenswood public housing complex, a teen

library, and four teen centers. It also has five mobile libraries and two book bicycles.

Queens Public Library continued to be a vital resource for New Yorkers of all backgrounds and circumstances in Fiscal Year 2025. QPL saw more than 6.5 million visits to its locations, circulated books and other materials in digital and print formats 10.9 million times and offered 52,500 programs. It hosted 2.65 million Wi-Fi sessions and registered nearly 115,000 library cards. QPL website visits reached 4.9 million.

In recognition of the rapid changes in the world and the changing needs of our diverse communities, the Library launched a five-year Strategic Plan. Following an intensive planning process, the Library identified eight strategic priority areas for the next five years: improve and expand programs and services for immigrants; evolve and expand programs and services for teens; enhance and expand programs and services for older adults; promote climate literacy; rethink and redesign our spaces; improve systems and streamline processes; strengthen talent management and development; and increase data utilization across the organization.

Queens Public Library earned national recognition as one of Forbes Magazine's best midsize employers. The publication ranked QPL 46th nationwide, the only public library system on the list.

The Library continued its efforts to fight censorship and book bans, joining dozens of libraries, community groups, and bookstores around the country, New York City's libraries, ALA, Unite Against Book Bans, and the Association for Small and Rural Libraries in a Day of Action to protect the freedom to read. In addition, the Library grew its ESOL class offerings, established Innovation Stations at 20 libraries to provide teens with opportunities for discovery through STEAM activities, and expanded college and career readiness programming.

QPL further strengthened its connection to Queens residents beyond its walls with the addition of a new mobile library to provide permanent, weekly service to the Breezy Point community and to shelters, nursing homes, parks, schools and neighborhoods where libraries are closed for renovations or emergencies. The vehicle includes an automatic wheelchair lift, laptops, a printer, gaming systems, a self-checkout machine, and 5,000 books and other reading materials. People can reserve and return items and register for library cards aboard the mobile library and participate in STEM workshops, story times, movie screenings, and book discussions.

Capital Review

The Four-Year Plan totals \$670.2 million. The table below reflects actual capital commitments for FY 2025 and planned capital commitments over the 2026-2030 period by program area.

Capital Commitments
(\$ in 000's)

	2025 Actual		2026 Plan		2027 Plan		2028 Plan		2029 Plan		2030 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Brooklyn Public Library	\$101,203	\$101,203	\$124,601	\$124,656	\$125,914	\$126,614	\$35,000	\$35,000	\$40,726	\$40,726	\$27,071	\$27,071
New York Public Library.....	\$26,852	\$26,852	\$58,568	\$58,568	\$78,090	\$78,090	\$60,457	\$60,457	\$9,024	\$9,024	\$29,430	\$29,430
NYPL Research Libraries	\$1,301	\$1,301	\$11,917	\$11,917	\$6,098	\$6,098	\$300	\$300	\$140	\$140	\$—	\$—
Queens Borough Public Library..	\$70,756	\$70,756	\$77,777	\$77,777	\$110,905	\$117,123	\$77,978	\$77,978	\$15,939	\$15,939	\$46,202	\$46,202
Total	\$200,112	\$200,112	\$272,863	\$272,918	\$321,007	\$327,925	\$173,735	\$173,735	\$65,829	\$65,829	\$102,703	\$102,703

Highlights of the Four-Year Plan include:

Brooklyn Public Library (BPL):

The 2027-2030 Four-Year Capital Plan allocates \$229.4 million for various renovations and improvements at BPL branches, including:

- Renovation of the second floor at the Midwood Library (\$2.1 million, in addition to \$0.5 million in 2026).
- Infrastructure upgrades at the Kings Bay Library (\$4.5 million).
- Upgrades to the heating and cooling system at the Bay Ridge Library (\$6.2 million).
- Various infrastructure upgrades at the Leonard Library (\$5.9 million).
- Comprehensive reconstruction of the Washington Irving Library (\$8.1 million, in addition to \$0.2 million in 2026).

New York Public Library (NYPL), which includes projects in the Bronx, Manhattan, and Staten Island:

The 2027-2030 Four-Year Capital Plan allocates \$183.5 million for various renovations and improvements at NYPL branches and research libraries, including:

- Replacement of the HVAC system and roof at the City Island Library in the Bronx (\$3.9 million, in addition to \$0.4 million in 2026).

- Comprehensive renovation of the Edenwald Library in the Bronx (\$19.1 million).
- Replacement of the HVAC system at New Dorp Library in Staten Island (\$0.7 million, in addition to \$0.6 million in 2026).
- Upgrade to the building envelope at the George Bruce Library in Manhattan (\$8.0 million, in addition to \$0.02 million in 2026).
- Exterior renovation, ADA upgrades, and HVAC replacement at Belmont Library in the Bronx (\$3.0 million).

Queens Public Library (QPL):

The 2027-2030 Four-Year Capital Plan allocates \$257.2 million for various renovations and improvements for QPL branches, including:

- Expansion and renovation of Jackson Heights library (\$32.5 million, in addition to \$4.1 million in 2026).
- Expansion and renovation of Rosedale library (\$12.6 million, in addition to \$0.7 million in 2026).
- Comprehensive renovation of Richmond Hill library (\$11.2 million, in addition to \$5.0 million in 2026).
- Reconstruction and expansion of Corona library (\$6.9 million, in addition to \$4.7 million in 2026).
- Exterior rehabilitation and ADA accessibility upgrades at Queens Village library (\$14.6 million, in addition to \$0.2 million in 2026).

THE DEPARTMENT OF CULTURAL AFFAIRS

The Department of Cultural Affairs (DCLA) is responsible for supporting and strengthening the City's vibrant cultural life through funding, technical assistance, and advocacy for more than 1,200 nonprofit cultural organizations across New York City, including museums, dance companies, theaters, performing arts organizations, botanical gardens, zoos, and a wide array of other cultural organizations.

The City supports operations at the 39 City-owned cultural institutions known as the Cultural Institutions Group (CIG). This group includes diverse organizations such as the Bronx Zoo, Queens Botanical Garden, Snug Harbor Cultural Center, Studio Museum in Harlem, and Weeksville Heritage Center. In 2025, the City welcomed up to five additional organizations into the CIGS, each representing one of the boroughs.

DCLA provides support for capital improvements at more than 200 cultural organizations throughout the five boroughs. Funding is provided for infrastructure, renovation, expansion, equipment, and public art projects. In 2026, DCLA also provided program grants and support services for more than 1,100 cultural organizations citywide, including groups such as Mind-Builders Creative Arts Center, the Bushwick Starr, Arts Gowanus, the Horticultural Society of New York, National Dance Institute, Staten Island Makerspace, Art Lab, Bronx Arts Ensemble, Discalced, Van Alen Institute, Queens Symphony Orchestra, DreamYard, Behind the Book, and Greater Ridgewood Historical Society.

Financial Review

The Department of Cultural Affairs' 2027 Executive Budget provides for operating expenses of \$239.6 million. Capital commitments of \$233.0 million are also provided.

Expense Budget Highlights

Budgetary Priorities: Providing Core Services

- The City's CIG institutions will receive operating support of \$104.9 million, including \$66.3 million in energy subsidies.
- In the 2027 Executive Budget, various cultural organizations citywide will receive program grants totaling \$59.0 million.
- The 2027 Executive Budget contains \$9.5 million in operating funds for the Department of Cultural Affairs' staff, rent, supplies, and equipment.

Summary of Agency Financial Data

The following table compares 2027 Executive Budget with the 2027 Preliminary Budget, the 2026 forecast and actual expenditures for 2025, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2025 Actual	2026 Forecast	2027		2026	2027
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$6,028	\$6,172	\$6,479	\$6,179	\$7	(\$300)
Fringe Benefits	—	—	—	—	—	—
OTPS	251,341	293,063	209,470	233,469	(59,594)	23,999
Total	\$257,369	\$299,235	\$215,949	\$239,648	(\$59,587)	\$23,699
Funding						
City	\$253,823	\$298,180	\$215,560	\$239,259	(\$58,921)	\$23,699
Other Categorical Grants	2,170	636	—	—	(636)	—
IFA	344	339	339	339	—	—
State	74	3	—	—	(3)	—
Federal CD	—	—	—	—	—	—
Federal Other	637	27	—	—	(27)	—
Intra-City Other	321	50	50	50	—	—
Total	\$257,369	\$299,235	\$215,949	\$239,648	(\$59,587)	\$23,699
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$2,334	\$2,515	\$2,831	\$2,562	\$47	(\$269)
Pensions	12,959	12,562	13,168	12,955	393	(213)
Other Than Personal Service (OTPS)						
Debt Service	257,908	231,946	266,561	252,823	20,877	(13,738)
Total Additional Costs	\$273,201	\$247,023	\$282,560	\$268,340	\$21,317	(\$14,220)
Funding						
City	267,383	238,546	279,887	259,350	20,804	(20,537)
Non-City	5,818	8,477	2,673	8,990	513	6,317
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$6,028	\$6,172	\$6,479	\$6,179	\$7	(\$300)
Fringe Benefits	2,334	2,515	2,831	2,562	47	(269)
Pensions	12,959	12,562	13,168	12,955	393	(213)
Total PS	\$21,321	\$21,249	\$22,478	\$21,696	\$447	(\$782)
OTPS	\$251,341	\$293,063	\$209,470	\$233,469	(\$59,594)	\$23,999
Debt Service	257,908	231,946	266,561	252,823	20,877	(13,738)
Total OTPS	\$509,249	\$525,009	\$476,031	\$486,292	(\$38,717)	\$10,261
Total Agency Costs	\$530,570	\$546,258	\$498,509	\$507,988	(\$38,270)	\$9,479
Less Intra-City	321	50	50	50	—	—
Net Agency Cost	\$530,249	\$546,208	\$498,459	\$507,938	(\$38,270)	\$9,479
Funding						
City	521,206	536,726	495,447	498,609	(38,117)	3,162
Non-City	9,043	9,482	3,012	9,329	(153)	6,317
Personnel (includes FTEs at fiscal year-end)						
City	63	63	68	63	—	(5)
Non-City	4	3	3	3	—	—
Total	67	66	71	66	—	(5)

* The 2027 Executive Budget provides an estimated 1,596 full-time and full-time equivalent positions, which are funded with City subsidies.

Programmatic Review and Service Impact

- As New York's cultural sector continues to strengthen the city's communities and drive its economy forward, DCLA continues to provide substantial levels of support for arts and cultural groups across the city.
 1. In 2026, Department of Cultural Affairs (DCLA) awarded \$74.3 million to 1,171 cultural organizations across New York City, distributed through its annual Cultural Development Fund (CDF) grant making program. With federal cuts and uncertainty, DCLA is the largest and most important public funder of culture in the U.S. and CDF represents the city's broadest source of support for the cultural life of communities in all five boroughs. This round of CDF grants represents a record-setting investment in NYC's cultural community, and a recognition of the incredible value that arts and cultural activity brings to New York's diverse neighborhoods. Building on an ongoing effort to foster greater equity and fairness in the CDF process, 602 organizations received a renewal grant as part of a multi-year commitment. Previously, only larger organizations were eligible for multi-year grants, which guarantees a base level of support for groups in a renewal cycle and offers them greater stability. In all, the vast majority (78 percent) of eligible applicant groups received a CDF award, maintaining DCLA's commitment to supporting as many organizations across the five boroughs as possible. This year's CDF also continued to invest in programs through the Language Access Fund, Disability Forward Fund, and CDF Equity Fund. Further, 96 percent of 2026 CDF grantees provide free or subsidized programming for New Yorkers, ensuring that every resident can afford to participate.
 2. DCLA's partnership with the Cultural Institutions Group (CIG) represents an array of cultural organizations – zoos, museums, science centers, heritage sites, botanical gardens, theaters and performing arts organizations – serving residents and visitors throughout the five boroughs. This unique public/private partnership is as robust as ever with the addition of five new members in 2025, bringing the total CIG member count to 39. The new institutions – the Louis Armstrong House Museum, BRIC, the Bronx Children's Museum, Pregones / Puerto Rican Traveling Theater, and Noble Maritime Museum – represent smaller organizations and institutions of color, further increasing diversity and equity among the CIG portfolio. Collectively, the CIG continues to drive the City's recovery, providing the performances, exhibitions, and cultural programming that make New York such a vibrant and inviting place to live, work, and play.
 3. In 2026, for the second year in a row, DCLA provided additional funding to the local arts councils, which in turn distributed funds to support working artists, collectives, and small arts groups in all five boroughs. The \$3.4 million awarded to the five re-grant partners maintains the FY25 levels and represents a 15 percent increase over their FY24 awards.
- In 2026, DCLA's Percent for Art program, which commissions permanent public art in city facilities like schools, libraries, recreation centers, and parks, expects to complete 12 new commissions and begin artist selection for approximately thirty additional projects. Design will also begin on several major projects, including Chinatown Connections (Manhattan) with Marvel Architects and artist Jennifer Wen Ma; Medgar Evers High School (Brooklyn) with artist Modupeola Fadugba; and the Roy Wilkins Recreation Center (Queens) with artist Fitgi Saint-Louis. These permanent, site-specific public artworks will build on the program's legacy of enhancing the city's public and civic spaces and bringing artwork to places where New Yorkers encounter and engage with them in their daily lives.
- Materials for the Arts (MFTA) collects millions of pounds of reusable materials from donors in and around NYC, diverting it from the landfill and providing them, free of charge, to thousands of arts organizations, nonprofits, social justice and social service organizations, NYC public schools, and City agencies. Thus far in 2026, Materials for the Arts has received 2.3 million pounds of donations valued at \$13.4 million. While these figures currently reflect a decline from 2025, there is an uptick in film and television donations and expect that FY26 will be at or above the same figures as FY25. Materials collected from MFTA allow public school educators, artists, and cultural organizations to provide free and affordable programming.

Capital Review

The 2027-2030 Four-Year Plan totals \$834.8 million, for over 200 cultural organizations across the five boroughs. The table below reflects actual capital commitments for FY 2025 and planned capital commitments over the FY 2026-2030 period by program area.

**Capital Commitments
(\$ in 000's)**

	2025 Actual		2026 Plan		2027 Plan		2028 Plan		2029 Plan		2030 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Department of Cultural Affairs	\$69,706	\$69,706	\$398,998	\$430,615	\$209,740	\$233,021	\$204,116	\$204,116	\$104,527	\$104,527	\$293,151	\$293,151
Total.....	\$69,706	\$69,706	\$398,998	\$430,615	\$209,740	\$233,021	\$204,116	\$204,116	\$104,527	\$104,527	\$293,151	\$293,151

Highlights of the Four-Year Plan:

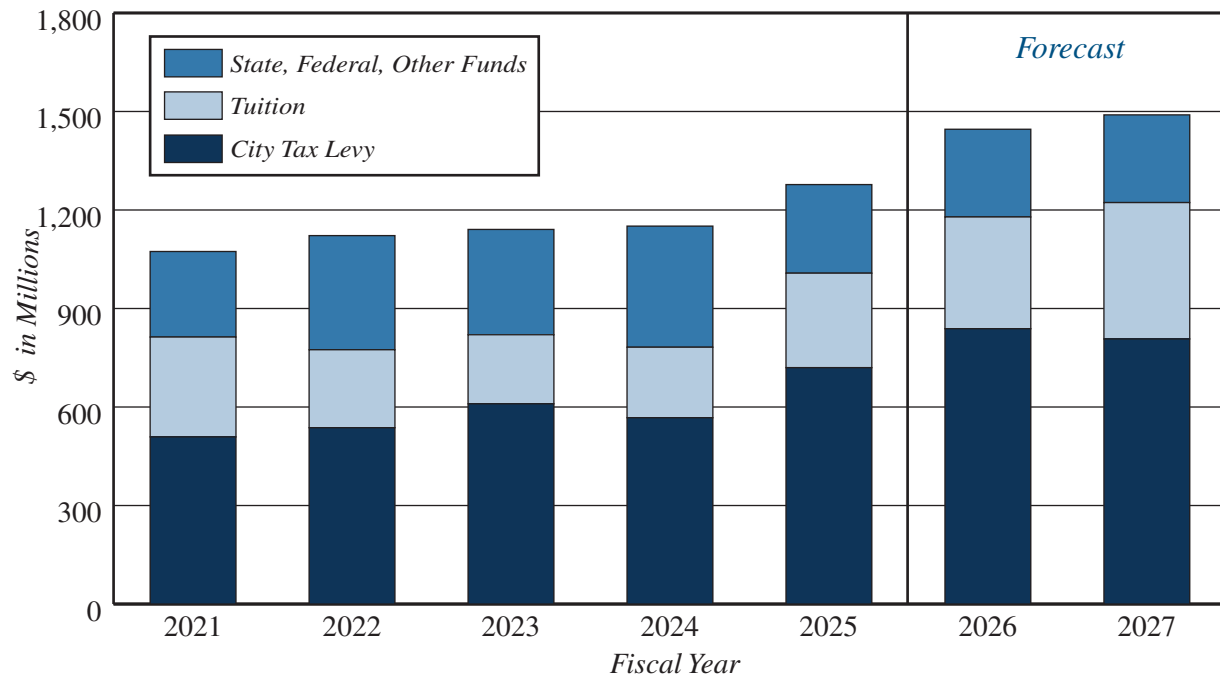
- Construction of a new multipurpose facility for the National Black Theater (\$18.7 million).
- Construction of a new building for Pregones Theater in the Bronx (\$11.3 million).
- Restoration of the building and façade at the Apollo Theater (\$16.0 million).
- Renovation of the Mosholu entrance and construction of a welcome center at the New York Botanical Garden (\$6.0 million).
- Renovation of the Japanese Hill and pond garden at the Brooklyn Botanical Garden (\$5.0 million).
- Exterior wall and façade restoration of Building D of the John Noble Maritime Collection at Snug Harbor Cultural Center (\$4.2 million).
- Replacement of the energy systems and the roof at Brooklyn Youth Chorus (\$3.2 million).
- Reconstruction of the roof and façade at St. George Theater (\$8.1 million, in addition to \$0.8 million in 2026).
- Construction of a new exhibition space at the Museum of Moving Image (\$11.0 million).
- Construction of an art and archive storage facility at Noguchi Museum (\$7.6 million).

CITY UNIVERSITY OF NEW YORK

The City University of New York (CUNY) includes eleven senior colleges, seven community colleges, the CUNY School of Professional Studies, the CUNY Graduate Center, the Craig Newmark Graduate School of Journalism, the Macaulay Honors College, the CUNY School of Law, the CUNY School of Medicine, the CUNY Graduate School of Public Health and Health Policy, and the CUNY School of Labor and Urban Studies. CUNY also sponsors the Hunter College Campus Schools. The CUNY colleges, some of which date back to the nineteenth century, were federated in 1961. The University is governed by a 17-member Board of Trustees. Ten members are appointed by the Governor, five are appointed by the Mayor with the advice and consent of the New York State Senate, and two (the chairpersons of the Faculty and Student Senates) serve as ex-officio members.

CUNY is the largest municipal university system in the United States. More than 80 percent of the University’s graduates stay in New York, contributing to all aspects of the City’s economic, civic, and cultural life and diversifying the City’s workforce in every sector. The University’s historic mission continues to this day: provide a public first-rate education to all students, regardless of means or background. In 2026, CUNY serves more than 246,000 degree-seeking students with approximately 165,000 in the senior colleges and 82,000 in the community colleges as well as 179,000 continuing education students.

COMMUNITY COLLEGE EXPENDITURES BY SOURCE 2021 - 2027



* Funding that supports senior colleges and Hunter Campus Schools activities is not included here. Other Categorical and intra-city revenues are also excluded. City tax levy includes pension contributions, which are budgeted in the Pension Agency and Collective Bargaining, Medicare Part B and Stabilization Fund contributions, which are budgeted in the Miscellaneous Agency. Tuition includes Tuition and Fees. State and Federal dollars are combined and include Community Development funds.

Source: NYC OMB

Financial Review

The City University of New York's 2027 Executive Budget reflects a total of \$1,571.4 million. The current fiscal year 2026 forecast is \$1,619.7 million, which contains significant intra-city revenue, as well as discretionary funds from City Council, both of which are typically reflected in the budget one year at a time. The 2026 budget as of last year's Executive Budget was \$1,482.9 million. The senior college lump sum appropriation in 2027 of \$35 million remains unchanged from 2026. Additionally, \$173.6 million in pension, other fringe costs, and debt service attributable to higher education are budgeted in other agencies, bringing CUNY's total 2027 budget to \$1,745.1 million.

Revenue Forecast

Total non-City revenues for two-year colleges decrease from \$322.9 million in 2026 to \$320.8 million in 2027, largely due to Energy Demand Response revenue in the current year only.

Expense Budget Highlights

The Executive Budget continues support for CUNY's mission to provide a vehicle of upward mobility for all New Yorkers, ensuring a quality, accessible education, regardless of background or means. Assisted by revenues generated through enrollment, State aid for the community colleges, and continuous efforts to promote efficiency, CUNY will continue to engage in programs with a particular focus on workforce preparedness in high-demand career fields and increased support for students.

The Executive Budget includes newly baselined funding of \$15 million for operational support. These funds will be used to support and maintain services that all 82,000 community college students rely on including instruction, academic advising and tutoring, mental health and wellness services, career counseling and workforce preparation, financial aid guidance, and transfer planning to four-year institutions. These services are essential to promoting access, persistence, and completion, and to ensuring that students have the support they need to succeed both academically and economically.

Summary of Agency Financial Data

The following table compares 2027 Executive Budget with the 2027 Preliminary Budget, the 2026 forecast and actual expenditures for 2025, including fringe benefits, pensions, and debt service.

	(\$ in 000's)				Increase/(Decrease)	
	2025 Actual	2026 Forecast	2027		2026	2027
			Preliminary Budget	Executive Budget	Forecast	Preliminary Budget
Expenditures						
Salary and Wages	\$743,207	\$768,912	\$817,250	\$820,775	\$51,863	\$3,525
Fringe Benefits	208,238	278,163	296,995	295,969	17,806	(1,026)
OTPS	457,592	572,599	436,069	454,702	(117,897)	18,633
Total	\$1,409,037	\$1,619,674	\$1,550,314	\$1,571,446	(\$48,228)	\$21,132
Funding						
City	\$968,671	\$1,135,556	\$1,173,621	\$1,175,596	\$40,040	\$1,975
Other Categorical Grants	21,456	19,000	14,077	16,929	(2,071)	2,852
IFA	—	—	—	—	—	—
State	271,620	303,913	303,913	303,913	—	—
Federal CD	—	—	—	—	—	—
Federal Other	—	—	—	—	—	—
Intra-City Other	147,290	161,205	58,703	75,008	(86,197)	16,305
Total	\$1,409,037	\$1,619,674	\$1,550,314	\$1,571,446	(\$48,228)	\$21,132
Additional Costs Centrally Funded						
Personal Services (PS)						
Fringe Benefits	\$3,854	\$3,295	\$4,742	\$3,534	\$239	(\$1,208)
Pensions	93,700	98,230	100,833	102,074	3,844	1,241
Other Than Personal Service (OTPS)						
Debt Service	67,419	70,616	79,054	68,015	(2,601)	(11,039)
Total Additional Costs	\$164,973	\$172,141	\$184,629	\$173,623	\$1,482	(\$11,006)
Funding						
City	163,601	169,730	183,874	171,321	1,591	(12,553)
Non-City	1,372	2,411	755	2,302	(109)	1,547
Full Agency Costs (including Central Accounts)						
Salary and Wages	\$743,207	\$768,912	\$817,250	\$820,775	\$51,863	\$3,525
Fringe Benefits	212,092	281,458	301,737	299,503	18,045	(2,234)
Pensions	93,700	98,230	100,833	102,074	3,844	1,241
Total PS	\$1,048,999	\$1,148,600	\$1,219,820	\$1,222,352	\$73,752	\$2,532
OTPS	\$457,592	\$572,599	\$436,069	\$454,702	(\$117,897)	\$18,633
Debt Service	67,419	70,616	79,054	68,015	(2,601)	(11,039)
Total OTPS	\$525,011	\$643,215	\$515,123	\$522,717	(\$120,498)	\$7,594
Total Agency Costs	\$1,574,010	\$1,791,815	\$1,734,943	\$1,745,069	(\$46,746)	\$10,126
Less Intra-City	147,290	161,205	58,703	75,008	(86,197)	16,305
Net Agency Cost	\$1,426,720	\$1,630,610	\$1,676,240	\$1,670,061	\$39,451	(\$6,179)
Funding						
City	1,132,272	1,305,286	1,357,495	1,346,917	41,631	(10,578)
Non-City	294,448	325,324	318,745	323,144	(2,180)	4,399
Personnel (includes FTEs at fiscal year-end)						
City	8,008	9,379	9,375	9,375	(4)	—
Non-City	—	—	—	—	—	—
Total	8,008	9,379	9,375	9,375	(4)	—

Capital Review

The City University of New York’s 2027-2030 Four-Year Plan totals \$904.4 million. Approximately 46 percent of CUNY’s 2027-2030 capital funds are reflected in 2027, totaling \$414 million. The table below reflects actual capital commitments for 2025 and planned capital commitments over the 2026-2030 period by program area.

**Capital Commitments
(\$ in 000’s)**

	2025 Actuals		2026 Plan		2027 Plan		2028 Plan		2029 Plan		2030 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
New School Construction	\$24,206	\$24,206	\$74,718	\$74,718	\$160,398	\$160,398	\$134,286	\$134,286	\$110,734	\$110,734	\$16,403	\$16,403
Renovation/Rehabilitation of Roofs, Classrooms, etc	69,258	69,258	161,963	166,102	230,658	230,658	128,958	128,958	23,959	23,959	33,295	33,295
Purchase & Installation of EDP and Other Equipment ...	6,148	6,148	17,977	17,977	22,983	22,983	36,296	36,296	3,896	3,896	2,581	2,581
Total	\$99,612	\$99,612	\$254,658	\$258,797	\$414,039	\$414,039	\$299,540	\$299,540	\$138,589	\$138,589	\$52,279	\$52,279

Community college critical maintenance and new capital construction projects approved by the City are eligible for an equal amount of State matching funds. The State provides its 50 percent share for such projects through annual State budget capital appropriations. The State’s funds, provided through the independent sale of New York State Dormitory Authority (DASNY) bonds, are not represented in the City’s capital plan.

The City University of New York’s 2027-2030 Four-Year Plan allocates \$416.9 million for reconstruction projects. Project highlights include:

- CUNY-Wide - \$50 million. New funding to address critical state of good repair needs at Community College campuses. This funding will support vital building systems including HVAC, heating/cooling plants, electrical switchgear, water/sewer/utilities.
- Bronx Community College - \$19.9 million. Funds support improvements to the school’s mechanical HVAC systems and controls to significantly enhance the air quality and energy efficiency at several buildings on campus.
- LaGuardia Community College - \$14.5 million. Funding to support the replacement of the HVAC System in the M Building of LaGuardia Community College, addressing outdated infrastructure to improve energy efficiency, system reliability, and indoor air quality.

- Medgar Evers College - \$13.8 million. The project involves the rehabilitation of the Bedford Building Auditorium, including upgrades to architectural finishes, HVAC, lighting, sound, AV/IT, and fire alarm systems, with a focus on increasing seating capacity and optimizing functionality.

CUNY’s Four-Year Plan allocates \$421.8 million for new school construction of the Hunter College Brookdale campus. This funds two million square feet of modern academic, healthcare, and life sciences space. The project will support the continued growth of the life sciences and healthcare industries in New York City by constructing new facilities and cultivating the city’s talent pipeline in these industries.

CUNY’s Four-Year Plan allocates \$65.7 million for data processing and equipment. Project highlights include:

- College of Staten Island - \$2.4 million. This project will upgrade the existing fiber distribution plant across multiple locations, install new ducts and cabling, and replace switches, servers, and storage arrays on campus.
- School of Journalism Classroom Educational Technology Redesign- \$2 million. This project will integrate the AV in all educational and campus presentation spaces by providing quality technology experience that enables effective teaching and

learning and regularly supports remote interaction when needed. It will provide the quality and access needed for various uses in the classrooms and newsrooms such as lectures and presentations, workshops, and conferences, including video conferencing and interaction among students, faculty, staff, and others, both on and off-campus.

PENSIONS AND OTHER FRINGE BENEFITS

Pension Overview

The Executive Budget for 2027 includes \$8,759 million in expenditure for City pension contributions, a decrease of \$1,089 million from the amount carried in 2026. The bulk of City pension contributions are made to its five actuarial retirement systems and are based on the actuarial assumptions and methods employed by the Chief Actuary that include updated mortality tables per the Society of Actuaries (MP-2020), payroll and wage growth assumptions consistent with the City’s projected staffing levels and collective bargaining pattern, and a 2019 Market Value Restart where investment gains or losses since 2019 are phased-in over subsequent five-year periods at 20 percent per year.

The projections for 2027 reflect savings of \$1,644 million associated with a proposal to restructure and extend the amortization payment period for paying off Unfunded Accrued Liabilities. The 2027 projections also include the cost of expected pension benefit enhancements.

In the table below: (1) \$8,635 million in expenditures are for contributions to the City’s five major retirement systems (City Actuarial Systems) that cover City employees and retirees; (2) \$124 million in expenditures are for contributions to retirement systems

not maintained by the City (Non-City Systems). This includes contributions to the State pension plan that cover employees of City libraries, contributions to the Cultural Institutions Retirement System that cover non-City employees of day care centers and certain cultural institutions, and contributions to the Teachers’ Insurance and Annuity Association (TIAA) that cover certain CUNY employees and contributions to the City’s Voluntary Defined Contribution program; and (3) less than a million in expenditures (Non-Actuarial) are primarily for supplemental benefits for certain retired uniformed members.

Pension Expenditures and Funding Sources
(\$ in 000’s)

	2025 Actual	2026 Forecast	2027		Increase/(Decrease)		
			Preliminary Budget	Executive Budget	2026 Forecast	Preliminary Budget	
<i>Expenditures</i>							
<i>Personal Service</i>							
City Actuarial Systems.....	\$9,928,360	\$9,731,643	\$10,408,381	\$8,634,661	\$(1,096,982)	\$(1,773,721)	
Non-City Systems	99,485	116,202	124,404	124,404	\$8,202	\$ —	
Non-Actuarial.....	56	350	350	350	—	—	
Total	\$10,027,901	\$9,848,195	\$10,533,135	\$8,759,415	\$(1,088,780)	\$(1,773,721)	
<i>Funding</i>							
City	\$9,883,622	\$9,602,916	\$10,388,856	\$8,514,136	\$(1,088,780)	\$(1,874,721)	
State	32,025	133,025	32,025	133,025	—	101,000	
Federal	—	-	—	—	—	—	
Intra-City Other	112,254	112,254	112,254	112,254	—	—	
Total	\$10,027,901	\$9,848,195	\$10,533,135	\$8,759,415	\$(1,088,780)	\$(1,773,721)	

The City's five actuarial retirement systems are the New York City Employees' Retirement System, the New York City Teachers' Retirement System, the New York City Police Pension Fund, the New York City Fire Pension Fund, and the Board of Education Retirement System. These systems cover approximately 740,000 employees, retirees and beneficiaries of the City, the Department of Education, the City University System, and certain independent agencies. Each system is governed by a board of trustees and functions in accordance with applicable state and local laws. Annual pension contributions are made as required by statute based on an actuarial valuation of liabilities and assets.

Other Fringe Benefits

The City provides a number of fringe benefits to its employees, retirees and eligible dependents. City contribution amounts and terms of coverage are governed by various contractual, legal and collective bargaining provisions. In general, the City's Miscellaneous Expense Budget contains the budget appropriations for the fringe benefit expenditures on behalf of employees and retirees of the mayoral agencies. Separate allocations are included in the Department of Education, the City University system, NYC Health & Hospitals, and the various other covered organizations, libraries and cultural institutions, for the fringe benefit expenditures on behalf of their active and retired employees.

The City's basic health insurance program provides comprehensive major medical and hospitalization benefits to its employees, retirees and eligible dependents. In addition, the City makes annual contributions to union-administered welfare funds, which typically provide supplemental health insurance benefits to their members. Annual City contributions to the various welfare funds, as well as other supplemental benefit funds, conform to collective bargaining and labor agreements.

The City also makes the required employer contributions on behalf of its employees who are

covered under federal Social Security. As required by New York State Workers' Compensation Law, the City pays wage replacement and medical benefits to employees who sustain on-the-job injuries. Under New York State Labor Law, the City provides up to 26 weeks in unemployment benefits (capped at statutory maximums) to eligible employees who lose their jobs due to economic reasons. Additional weeks can be provided during periods of high unemployment in the State. The City, as required by the Administrative Code, also pays for the medical costs of uniformed employees of the Police, Fire and Sanitation Departments who sustain injuries in the line of duty.

Retiree Health Benefits Trust Fund

The Retiree Health Benefits Trust Fund (the "Trust") was created in 2006 and began operating in 2007. The Trust is used to receive City deposits and make the annual pay as you go ("PAYGO") payments required to meet current year health insurance and supplemental welfare benefits expenses for retirees. The Trust was initially funded with \$2.5 billion in City contributions: \$1 billion in 2006 and \$1.5 billion in 2007. Over the years, the City has consistently made annual contributions to the Trust, ensuring that there are sufficient assets in the Trust to meet the annual PAYGO obligation. In some years, the City made additional discretionary contributions into the Trust, while in certain years of fiscal stress, the City made a reduced contribution.

In 2025, the Trust paid out approximately \$3.6 billion in benefit payments, and had a year-end balance of \$5.2 billion. Assets in the Trust are used to offset the City's Other Postemployment Benefits (OPEB) obligations. OPEB exclude pensions, and include retiree health insurance premium payments, contributions to retiree welfare funds, and Medicare Part B reimbursements. As of the end of 2025, the City's reported net OPEB obligation was \$96.4 billion. The City is not required to fund OPEB obligations on an actuarial basis, other than to meet its current year PAYGO payment.

Fringe Benefits

(\$ in 000's)

	2026 Forecast	2027 Executive	Increase/ (Decrease)
Workers' Compensation	\$562,696	\$609,196	\$46,500
Health Insurance Plans	6,763,575	6,929,809	166,234
Uniform Allowances	16,411	16,411	-
Social Security Contributions	1,490,117	1,474,292	(15,825)
Unemployment Insurance Benefits.....	27,854	28,854	1,000
Supplementary Employee Welfare Benefits	750,433	775,656	25,223
Workers' Compensation - Other.....	53,500	55,600	2,100
Total.....	\$9,664,586	\$9,889,818	\$225,232
Funding			
City	\$8,890,982	\$9,118,736	\$227,754
Other Categorical	42,409	41,661	(748)
State.....	284,939	285,090	152
Interfund Agreements	85,347	85,657	311
Intra-City.....	87,041	86,460	(581)
Federal.....	273,869	272,214	(1,654)
• CD	54,779	54,390	(388)
• Other	219,090	217,824	(1,266)
Total.....	\$9,664,586	\$9,889,818	\$225,232

JUDGMENTS AND CLAIMS

The Executive Budget for 2027 includes an appropriation of \$1.1 billion for expenditures on Judgments and Claims. These expenditures represent the City's payments to settle tort and contract liability claims. Tort expenditures cover both personal injury and property damage claims, and typically represent about 95 percent of total Judgment and Claims expenditures. The projections incorporate a substantial amount of claims expenditures attributed to NYC Health + Hospitals (H + H) for which H + H will reimburse the City.

The Office of Management and Budget (OMB) employs various statistical methods and financial models to estimate claims expenses. In addition, OMB consults the Law Department to obtain cost estimates for cases that are expected to settle for \$1 million or greater. These are mainly serious personal injury cases that have been in litigation or on appeal for a considerable period of time. These cases represent a significant portion of total tort expenditures, but their relatively small volumes do not lend themselves to statistical analysis. Historical claim data contained on the Comptroller's Omnibus Automated Image Storage and Information System (OASIS) are analyzed to determine annual settlement volumes and average cost per claim. Total expenditures are the product of the volume and average claim cost projections.

Analysis of Agency Budgets: Covered Organizations

NEW YORK CITY HEALTH + HOSPITALS

NYC Health + Hospitals (Health + Hospitals), the largest municipal health system in the country, includes 11 acute care hospital sites, one long-term acute care hospital, five skilled nursing facilities, and the Gotham Health network of clinics across the five boroughs. The system provides comprehensive health care services including preventive and primary care, behavioral health care, trauma care, high-risk neonatal and obstetric care, and burn care.

Health + Hospitals' acute care hospitals serve as major teaching hospitals. In addition, the system includes MetroPlus (a managed care plan), an Accountable Care Organization, a Certified Home Health Agency, and Correctional Health Services. Health + Hospitals is the city's single largest provider of care to Medicaid patients, mental health patients, and the uninsured, serving 1.2 million New Yorkers.

Financial Review

Health + Hospitals closed through November 2025 with a negative net budget variance of \$59 million (less than one percent off target) due to some spending increases not fully offset by revenue. The system is closely monitoring performance and fully intends to finish the fiscal year on target. Over the past several years, the system has had strong, positive momentum in revenues and plans to continue this trend in the coming years.

Health + Hospitals' strategic initiatives associated with revenue cycle improvements, managed care contracting improvements, and value-based payments remain on track. Through November, it has generated nearly \$150 million in new incremental revenue or savings in 2026.

Expense Budget Highlights

Program Enhancements

- Funding for Correctional Health Services pharmaceutical expenses.
- Funding for Correctional Health Services affiliate personal services base adjustment.
- Funding to expand the Maternal Morbidity and Mortality Reduction Program.

Recent System-wide Achievements

The system had several other key accomplishments over the past year, which included:

- Opening a new 93-unit supportive housing residence at Woodhull Hospital to support patients experiencing homelessness and offer affordable housing for low-income New Yorkers;

- Increasing capacity of our medical respite program – which offers patients experiencing homelessness a place to stay and home-based medical services for up to 90 days after a major health event – to serve 100 more patients a year;
- Opening “Bridge to Home”, a new, innovative support model for patients with severe mental illness who are ready to be discharged from the hospital but do not have a place to go;
- Opening by Correctional Health Services of the first Outposted Therapeutic Housing Unit (OTxHU) at Bellevue Hospital Center on April 8, 2026. The 104-bed unit will serve people in custody with complex medical needs by transferring the most clinically vulnerable detainees from Rikers Island into a therapeutic setting with closer access to specialty care;
- Opening 16 school-based mental health clinics across the Bronx and Central Brooklyn, to bring mental health services to more than 6,000 students;
- Launching “Critical Time Intervention Teams” to serve adults who have had multiple psychiatric hospital or emergency visits within the last year and provide follow-up care for up to nine months;
- Launching “Hotspotting” at Lincoln Hospital to reduce overdose death and nonfatal overdoses building on great work initiated on Staten Island;
- Launching a bariatric surgery program at Lincoln Hospital to address obesity and obesity-related conditions such as type 2 diabetes, hypertension, and sleep apnea. This is an important step towards access and equity for chronic disease control;
- Launching a Women’s Heart Health Institute at Elmhurst Hospital to address heart disease, the leading cause of death in women;

- Adding a point-of-care lab testing, point-of-care ultrasound, and blood draw services to our Street Health Outreach + Wellness mobile program to better serve New Yorkers disconnected from care and those experiencing homelessness;
- Opening a Minor Surgery Suite at Woodhull Hospital to enhance patient access, reduce wait times, and optimize surgical operations across multiple specialties;
- Launching dermatology services in our Gotham Health facilities for a broad range of skin conditions including eczema, acne, psoriasis, and skin cancer;
- All 11 hospitals were named 2025-2026 Best Hospital by U.S. News & World Report;
- All 5 nursing homes were ranked as “high-performing” by U.S. News & World Report for both the Long-Term Care and Short-Term Rehabilitation;
- Bellevue Hospital was recognized as a “Pediatric Innovator”, the highest level of recognition given by the Always Ready for Children Pediatric Recognition Program;
- NYC Health + Hospitals landed on the Epic Honor Roll for the third consecutive year for implementing best practices in its electronic health record, earning it a \$748,000 grant;
- Five of our hospitals – Elmhurst, Kings County, Lincoln, South Brooklyn Health, Woodhull – were ranked by US News & World Report magazine as high performing for uncomplicated pregnancies.
- Continued operations at the system’s three COVID-19 Centers of Excellence.
- Increased to over 462,000 unique primary care patients and improved specialty care access with nearly 395,000 e-consults.

Promoting Culturally Competent Care

Health + Hospitals has developed specialized programs to support culturally and linguistically responsive services that support the diverse healthcare needs of the City’s residents. The Equity and Access Council, established in March 2020, provides strategic direction for the development of programs and initiatives aimed at eliminating barriers, institutional and structural inequities, and improving the health and well-being of underrepresented and marginalized communities. In 2024, the system continued to build on its work for embedding equity into the system’s strategic priorities serving as a core foundational element to the Health + Hospitals’ vision, mission, and values. The work of the Equity and Access Council is focused on the following priority areas:

- Workforce Diversity – initiatives to attract, retain, and develop talent.
- Workplace Inclusion – strategies to promote inclusive practices.
- Equity of Care – strategies to eliminate inequities. For example, Health + Hospitals is improving care for Sickle Cell Disease (SCD) through expansion of services for adult patients with SCD and enhanced transitions from pediatrics to adult SCD care.
- Monitoring and Evaluation – metrics to inform program improvements and service delivery models, identify populations in need of immediate attention, and drive evidence-based intervention initiatives.

The Office of Diversity, Equity & Inclusion supports the provision of culturally competent care via work on:

- Language Support services – over the phone, video remote, and onsite interpretation, health literacy, and translation services, Interpreter Training.
- Education & Workshops – staff and community training and events including Provision of Culturally Competent Care, Identifying and Managing

Guaranteed Health Care Plan

In August 2019, NYC Care was launched in the Bronx to guarantee health care at a low to no-cost to New Yorkers who do not qualify for or cannot afford health insurance in all five boroughs. Since then, the program expanded to Brooklyn and Staten Island in January 2020 and Queens and Manhattan in September 2020. As of December 2025, over 125,000 individuals are enrolled.

Expanding Ambulatory Care Services

Health + Hospitals continues to invest in new and current facilities to expand options for care to New Yorkers. In the last year, the system has:

Unconscious Bias, Diversity & Inclusion in Healthcare settings.

- LGBTQ+ Services – support and coordination of PRIDE Advisory Health council, Pride Health clinics and initiatives, Community Outreach and education.
- Veterans Support – veteran support services, veteran pop-up sites to promote disability and other benefits to our Veteran employees, patients, and community members.
- Disability Services Support – promotion of accessible options for patients with Disabilities, Disability awareness, outreach and marketing, Let's Talk Disability, Blind and low patient Experience.
- Workforce Diversity – outreach, internship coordination, partnership management with educational institutions, participation in outreach events with diverse groups (i.e. LGBTQ+, Disability-oriented healthcare recruitment fairs).

Correctional Health Services

In Calendar Year 2025, NYC Health + Hospitals/ Correctional Health (CHS) continued to provide high-quality health care services to approximately 25,400 people in Department of Correction custody. CHS also continues to advance innovative health initiatives and remains a key partner in the City's efforts to reform the criminal-legal system. One notable such initiative is CHS' pioneering Outposted Therapeutic Housing Unit (OTxHU) initiative, which will bridge the gap between the care provided in the jails and inpatient hospitalization. These secure, clinical units will house patients who have serious health conditions and would benefit from close, regular access to the specialty and subspecialty care available in three NYC Health + Hospitals community facilities – Bellevue, Woodhull, and North Central Bronx. Construction at the Bellevue location was substantially completed in January 2025 and opened as a fully operational unit on April 8, 2026. The remaining units at Woodhull and North Central Bronx are in design. The \$910 million investment will result in a pioneering model in the care of persons in custody.

Another notable initiative is CHS' Just Home housing initiative that will provide permanent, supportive housing for medically complex people experiencing homelessness after they leave jail by

revitalizing an unused building on the NYC Health + Hospitals/Jacobi hospital campus. Unhoused individuals with complex medical needs experience significant challenges securing safe and stable accommodations, and individuals with justice involvement face particular barriers when trying to reestablish themselves in the community. The Just Home project will help address these challenges while advancing Health + Hospitals' mission to care for the most vulnerable New Yorkers. In January 2024, the NYC Health + Hospitals Board of Directors approved the ground lease and service contract to the non-profit The Fortune Society to serve as the developer and service provider of Just Home – to utilize the \$1 million in annual Justice-Involved Supportive Housing (JISH) funding secured by CHS. In September 2025, following a public hearing, the NYC Council approved Just Home to proceed. In January 2026, Mayor Mamdani recommitted to advancing the project.

MetroPlus

MetroPlus Health was ranked among New York City's highest-rated health plans for not only their exceptional clinical services, but also their dedication to the local community, and commitment to the reduction of health disparities by addressing the social determinants of health. In the past year, MetroPlus saw a decline in membership due to the end of the Medicaid recertification pause but still had more than 689,000 members as of December. MetroPlus continues to work with H+H and its patients with enrollment and recertification to ensure continued continuity of care, especially in light of the coming changes to recertification and work requirements associated with H.R.1.

Capital Review

The 2027-2030 Four-Year Capital Strategy totals \$1.8 billion. NYC Health + Hospitals will use these funds to support critical infrastructure improvements, information technology modernization, and equipment purchases across the system.

Highlights include:

- New investments of \$48 million for the renovation and expansion of Bellevue Hospital's Adult Comprehensive Psychiatric Emergency Program (CPEP) to modernize psychiatric emergency services and expand behavioral health capacity, as well as \$70 million for the Queens Hospital expansion

associated with the Jamaica Neighborhood Plan to support expanded healthcare access and community-based services in Southeast Queens.

Bellevue Comprehensive Psychiatric Emergency Program (CPEP)

- The Adult Comprehensive Psychiatric Emergency Program (CPEP) renovation at NYC Health and Hospitals/Bellevue aims to consolidate psychiatric emergency services into a unified, ground-floor model to optimize for operational efficiency. This investment will allow H+H to serve approximately 2,500 additional New Yorkers who are experiencing acute mental or emotional distress per year, bringing total annual capacity to 13,500. While the project directly enhances front-end emergency stabilization through improved oversight, reduced elopement risk, and streamlined multidisciplinary care, its necessity is equally driven by the urgent need to expand system-wide capacity. By relocating CPEP, the facility will unlock the space required to create additional inpatient psychiatric beds, providing additional capacity for an adult inpatient system currently operating at a near-maximum 98% occupancy. This capital investment will ensure that NYC Health + Hospitals/Bellevue can maintain the throughput necessary to absorb citywide surges and meet the high-acuity care standards established by the Behavioral Health Centers of Excellence (BH COE) framework. This project is currently in design and construction is scheduled to be completed in Calendar Year 2029.

Correctional Health Services Outposted Therapeutic Housing Unit Initiative

- The NYC Health + Hospitals/Correctional Health Services Outposted Therapeutic Housing Unit (OTxHU) initiative at Bellevue, Woodhull, and North Central Bronx hospitals represent the largest capital project directly managed by the system to date. Substantial construction completion of the first of these units was achieved at NYC Health + Hospitals/Bellevue in January 2025 and opened as a fully operational unit on April 8, 2026. The first component of construction at Woodhull, which made room for the unit on the hospital's 9th and 10th floors, was completed in October 2023; construction entailed renovating other spaces for Woodhull's relocated inpatient pediatrics unit, outpatient substance use program, and other administrative and support areas. The second component to fortify

the roof at Woodhull for the recreation component of the Outposted Program while design of the units themselves was also recently completed. The third component is set to begin in 2026, and will include demolition and abatement of the 9th and 10th floor. At the third location, North Central Bronx, the first component of construction to renovate other floors at the hospital to accommodate the relocation of services and make room for OTxHU is nearing completion. The second component includes demolition and abatement of the OTxHU space is set to begin in 2026. Construction will begin on the units at Woodhull and NCB following completion of this work, assuming timely completion of design. There is \$910 million in capital funding is allocated for this critical, innovative project.

Buildings Decarbonization Strategy

- Health + Hospitals continues to lead in advancing its decarbonization strategy across its building portfolio, focusing on energy efficiency, electrification, and renewable energy implementation where feasible. These efforts align with Local Law 97 requirements and New York City's broader sustainability and climate goals, while directly reducing greenhouse gas emissions, lowering operating costs, and contributing towards building resilience during extreme weather events.
- Several major projects have recently reached substantial completion, including the Bellevue Cogeneration System, Harlem Boiler Plant Upgrade, and the McKinney Comprehensive Energy Efficiency project, along with lighting upgrades at Coler and Queens Hospitals. Additional lighting and controls upgrades are advancing at Jacobi and Metropolitan Hospitals, with construction anticipated later this year, and planning underway for Kings County Hospital. A rooftop solar PV installation at Woodhull Hospital is also expected to begin construction this year.
- In parallel, design development of large-scale decarbonization initiatives is progressing at Elmhurst Hospital, North Central Bronx Hospital, and East New York Clinic. These efforts not only include comprehensive energy conservation measures but also go beyond traditional efficiency upgrades by transitioning steam-based systems to partial or full low-temperature hot water to support long-term electrification, enabling the integration of air- and water-source heat pump technologies.

- In addition, Health + Hospitals is actively upgrading legacy, outdated DDC and pneumatic building management system (BMS) controls that support heating, ventilation, and air conditioning (HVAC) systems. These upgrades improve indoor air quality, enhance occupant comfort, strengthen regulatory compliance, and reduce energy use and operating costs. Control system upgrades have been completed at Lincoln and McKinney as part of comprehensive energy efficiency projects, with additional upgrades underway or planned at North Central Bronx, Queens, and Bellevue Hospitals.
- Collectively, these efforts are expected to drive meaningful reductions in operational carbon emissions while improving system reliability and flexibility. Health + Hospitals is taking a practical, phased approach, aligning decarbonization with planned capital investments to maximize impact while maintaining critical hospital operations. This strategy reinforces the system's leadership in sustainable healthcare infrastructure and its commitment to supporting a more resilient and equitable New York City.

Far Rockaway Primary Care Clinic

- NYC Health + Hospitals/Gotham continues to advance its mission to address the community's primary care needs by constructing a new primary care clinic in Far Rockaway. In our 2025 Community Health Needs Assessment, Queens residents identified their top poor health outcomes as diabetes and high blood sugar, high blood pressure, obesity, mental health disorders, and health disease. In addition, cancer and heart disease were identified among the leading causes of premature deaths. This clinic will provide Queens residents with a modern community-based health center that offers primary care, women's health, dental, vision, and mental health services. The construction of this clinic will result in increased healthcare access and better health results for the Queens community. A Design-Build vendor has been selected, and the project is currently underway with construction expected to be completed in Q1 Calendar Year 2027.

Labor and Birthing Units

- As a part of its commitment to providing high quality, safe and respectful care to women throughout the childbearing cycle, Health + Hospitals will renovate and expand the Labor and Birthing Units at Woodhull, Kings County, South Brooklyn Health (SBH), and Elmhurst hospitals. The renovation and expansion will provide mothers and infants with comfortable, state-of-the-art birthing suites where their healthcare needs before, during, and after childbirth will be met. This will ensure a positive birthing experience and better patient outcomes. The projects at SBH and Woodhull will be delivered utilizing the Design-Build delivery method, and the projects at Kings County and Elmhurst will be delivered utilizing Design-Bid-Build. SBH and Woodhull have both selected design build vendors and have executed contracts with each vendor, and the projects are underway with SBH scheduled for completion in Calendar Year 2026 and Woodhull in Calendar Year 2028. Elmhurst has awarded a construction contract for their project and is in active construction that is scheduled to be completed in Calendar Year 2029. Kings County is in the design stage and is expected to start construction in Calendar Year 2027.

NEW YORK CITY TRANSIT

New York City Transit (NYCT) operates the most extensive public transportation system in the nation, which served approximately 1.6 billion subway and bus passengers in calendar year 2025, 1.3 billion on the subway alone. NYCT has been a component of the Metropolitan Transportation Authority (MTA) since the Authority's inception in 1968. The MTA is a New York State public authority responsible for coordinating and implementing a mass transportation program for New York City and seven neighboring counties. The other components of the MTA primarily serving New York City are the Staten Island Rapid Transit Operating Authority (SIRTOA) and the MTA Bus Company (MTABC). The MTA also includes the Long Island Rail Road (LIRR) and the Metro-North Commuter Railroad (MNR).

NYCT's subway system currently operates 24 hours a day, seven days a week, on over 665 miles of mainline track, serving 472 stations throughout the Bronx, Brooklyn, Manhattan, and Queens. The NYCT bus system comprises a fleet of 4,543 buses on 201 local, 17 Select Bus Service, and 30 express routes servicing more than 2,200 route miles across all five boroughs.

SIRTOA operates a 29-track-mile rapid transit line serving 21 stations on Staten Island and providing a connection to the Staten Island Ferry. SIRTOA served approximately 2.4 million passengers in 2025.

MTABC operates an extensive public bus transportation system throughout New York City, primarily in the Bronx, Brooklyn, and Queens. MTABC served approximately 93.0 million passengers in 2025. MTABC is primarily funded through farebox revenues and City subsidies.

MTABC currently operates 1,382 buses, all owned by the City. Service on 46 local, three Select Bus, and 43 express routes is available 24 hours a day, seven days a week. Since beginning operations in 2005, MTABC has significantly improved service and the City expects MTABC to continue making improvements to all facets of its operations, ensuring that service levels are up to the MTA's standards.

Financial Review

The City's financial plan includes \$826.9 million for NYCT in fiscal year 2027. As NYCT operates on a calendar year (CY) basis, the financial plan below is presented in that format. The NYCT financial plan is funded through a combination of fare revenue, tax revenue, and direct subsidies. The MTA's plan for CY 2026 includes the following key elements:

- CY 2026 fare revenue is projected to be \$3.9 billion, a six percent increase from the CY 2025 total of \$3.7 billion.
- Tax revenues dedicated for NYCT's use are projected to total \$6.4 billion; \$1.3 billion from the regional Metropolitan Mass Transportation Operating Assistance Account (MMTOA), \$1.5 billion from the Mass Transportation Trust Fund (MTTF), and \$503.0 million from the Urban Tax. Other State taxes and fees provide \$3.1 billion including \$1.8 billion from the Payroll Mobility Tax, \$191.5

million from license, vehicle registration, taxi, and vehicle rental fees, \$171.0 million to replace forgone revenues from exempting school districts and small businesses from the Payroll Mobility Tax, \$347.9 million from the taxi and for hire vehicle congestion surcharge, and \$680.0 million from casino license revenue.

- The MTA assumes a City contribution to NYCT's operating budget for CY 2026 of \$856.7 million, including \$158.7 million in operating assistance as part of the City match to State "18b" aid (\$35.0 million of which is IFA), \$50.5 million for student fare discounts, \$629.1 million for the Paratransit program, \$13.8 million for elderly and disabled fare discounts, and \$4.6 million for expenses incurred by NYCT on behalf of the NYPD Transit Bureau.

In addition to the very large indirect contributions the City makes to various MTA revenue sources, the following chart summarizes the City's direct subsidies to NYCT for CY 2026:

City Subsidies to NYCT, CY 2026

(\$ in Millions)

• Elderly and Disabled Subsidy.....	\$13.8
• School Fare Subsidy.....	\$50.5
• Operating Assistance.....	\$158.7
• Police Reimbursement.....	\$4.6
• Paratransit.....	\$629.1
TOTAL.....	\$856.7

Based on the MTA's February 2026 Financial Plan, NYCT projects that it will close CY 2025 with a cash deficit of \$6.9 million. NYCT has cash surpluses of \$156.9 million in CY 2026 and \$84.8 million in CY 2027, followed by deficits of \$47.4 million in CY 2028 and \$172.1 million in CY 2029. This deficit is expected to be offset by gap closing actions potentially including tax, fee, and further fare increases.

New York City Transit Financial Plan
(\$ in Millions)

	Calendar Years [1]				
	2025	2026	2027	2028	2029
REVENUES					
Fare Revenue [2].....	\$3,677.1	\$3,908.4	\$3,983.7	\$4,039.7	\$4,040.6
Other Operating Revenue	\$3,309.6	\$203.0	\$199.8	\$204.6	\$208.4
Transit Tax and Other Subsidies	\$6,093.7	\$6,363.5	\$6,251.6	\$6,412.1	\$6,865.0
City Subsidies	\$836.5	\$856.1	\$890.1	\$1,019.1	\$1,064.0
State Subsidies	\$208.6	\$208.6	\$208.6	\$208.6	\$208.6
TBTA Surplus Transfer	\$665.5	\$696.0	\$689.7	\$658.8	\$676.2
Capital and Other Reimbursements ...	\$1,362.3	\$1,496.1	\$1,439.7	\$1,420.5	\$1,431.9
TOTAL REVENUES	\$16,153.3	\$13,731.7	\$13,663.2	\$13,963.4	\$14,494.7
EXPENSES					
Salaries and Wages.....	\$4,805.8	\$4,779.8	\$4,816.9	\$4,924.9	\$5,024.5
Fringe	\$3,701.7	\$3,911.8	\$4,156.4	\$4,415.0	\$4,687.4
Reimbursable Overhead.....	(\$308.3)	(\$316.3)	(\$299.4)	(\$294.7)	(\$297.3)
OTPS	\$2,151.4	\$2,054.3	\$2,079.4	\$2,059.9	\$2,123.0
Paratransit Service Contracts	\$761.3	\$874.4	\$949.2	\$1,000.2	\$1,057.0
Capital Reimbursable Expenses.....	\$1,362.3	\$1,496.1	\$1,439.7	\$1,420.5	\$1,431.9
Transit Police	\$4.6	\$4.6	\$4.6	\$4.6	\$4.6
Debt Service.....	\$1,054.7	\$1,304.4	\$1,471.6	\$1,520.1	\$1,610.4
Depreciation [3]	\$2,413.0	\$2,437.0	\$2,437.0	\$2,437.0	\$2,437.0
GASB Adjustments [4]	\$153.0	\$153.0	\$153.5	\$153.9	\$154.3
TOTAL EXPENSES	\$16,099.5	\$16,699.1	\$17,208.8	\$17,641.4	\$18,232.8
OTHER ACTIONS					
Balance before Adjustments	\$53.8	(\$2,967.4)	(\$3,545.6)	(\$3,678.0)	(\$3,738.1)
Gap-Closing Actions [5]	\$0.0	\$136.0	\$372.7	\$442.2	\$538.8
Cash Flow Adjustments [6]	(\$60.7)	\$2,988.3	\$3,100.8	\$3,103.6	\$3,027.2
Net Cash from Prior Year.....	\$0.0	\$0.0	\$156.9	\$84.8	\$0.0
SURPLUS/(DEFICIT)	(\$6.9)	\$156.9	\$84.8	(\$47.4)	(\$172.1)

[1] NYCT provided all financial plan figures in February 2026. These figures are estimated values. Since the MTA operates on a calendar year basis (January-December), the values do not directly carry to the City's fiscal year (July-June).

[2] Includes fare media liability.

[3] Since February 2004, NYCT has included depreciation in its financial plan.

[4] Includes GASB 68 (Pension Expense), GASB 75 (OPEB Expense), GASB 87 (Lease Expense), and GASB 101 (Compensated Absences) adjustments.

[5] Includes below-the-line items provided by NYCT such as presumed fare and toll increases, operating efficiencies, and federal reimbursements.

[6] Includes operating, depreciation, environmental remediation, and OPEB cash flow adjustments.

In addition to its contribution to NYCT, the City expects in CY 2026 to contribute \$123.7 million directly to the MTA to maintain LIRR and MNR stations in the five boroughs and for operating assistance for the commuter railroads as part of the local match of State “18b” aid. Based on MTA’s forecast, the City will provide \$86.7 million for liabilities related to SIRTOA and \$562.2 million for liabilities related to the MTABC. The City will also contribute \$13.8 million for E-ZPass courtesy tags used by City agencies.

Overall, the City annually provides the MTA with almost \$1.4 billion in direct subsidies and \$1.2 billion of in-kind contributions (for the NYPD Transit Bureau, debt service for MTA capital projects, Fair Fares, and homeless outreach).

Capital Review

The City’s 2027-2030 Four-Year Capital Plan totals \$1.6 billion for NYCT. The City is funding the MTA’s capital programs to support MTA’s most essential work: bringing the mass transit system to a state of good repair, maintaining a normal replacement cycle, and improving quality of services. City capital funds are used in conjunction with other sources (Federal, State, and Private) toward MTA’s capital programs. The City expects to contribute \$3.0 billion to the MTA 2025-2029 Capital Program.

The City’s Four-Year Capital Plan for NYCT, SIRTOA, and MTABC includes the following key elements:

- Funds to support various NYCT infrastructure improvements, system enhancements, and bus and subway car upgrades, \$1.4 billion for 2027-2030.
- Funds for NYCT track work, \$140.0 million for 2027-2030.

The table below outlines the City’s capital commitments to NYCT, SIRTOA and MTABC for the 2025-2030 period:

Capital Commitments (\$ in 000’s)

	2025 Actual		2026 Plan		2027 Plan		2028 Plan		2029 Plan		2030 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Infrastructure	\$237,245	\$237,245	\$377,191	\$377,191	\$360,000	\$360,000	\$360,000	\$360,000	\$360,000	\$360,000	\$365,000	\$365,000
Trackwork	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Revolving Fund.....	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
MTABC.....	—	—	35,465	79,839	—	—	—	—	—	—	—	—
Total	\$277,245	\$277,245	\$452,656	\$497,030	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$405,000	\$405,000

NEW YORK CITY HOUSING AUTHORITY

The New York City Housing Authority (NYCHA), created in 1935, strives to operate and maintain safe, decent, and affordable housing for low- and moderate- income families in New York City.

NYCHA owns and operates the nation's largest public housing program. With 219 developments (146,255 apartments in 1,808 residential buildings), NYCHA houses 275,969 tenants throughout the city in their conventional Federal Section 9 Public Housing Program, as of January 2026. In traditional public housing supported by the Section 9 funding stream, the public housing authority (PHA, in this case NYCHA) receives funding from HUD based on a regulatory formula that broadly scales with the number of units in the PHA's portfolio. This Federal funding stream from U.S. Department of Housing and Urban Development (HUD) supports the PHA's direct operations, repairs, and management of their properties.

The Authority also operates a Federal Leased Housing (Section 8) Program, with approximately 110,304 rented apartments housing 221,576 residents across the private rental market and Project-Based Section 8 as of January 2026. Under the Section 8 Program, which provides rental assistance vouchers funded by HUD, public housing authorities such as NYCHA subsidize rents for eligible individuals and families living in privately owned apartments. Approximately 26,742 landlords participate in NYCHA's Section 8 Program, collectively housing 163,306 residents in the private market while another 3,265 Section 8 residents live in public housing developments. Additionally, NYCHA administers Project-Based Section 8 for 174 developments (31,472 apartments housing 55,005 residents) that have converted from traditional public housing through NYCHA's Permanent Affordability Commitment Together (PACT) program. PACT leverages the federal Rental Assistance Demonstration (RAD) program to shift developments from Section 9 to more stable Section 8 funding while enabling private management and access to additional capital for repairs. A more complete description of the PACT program can be found at the end of this section.

In 2019, the City, NYCHA, the U.S. Attorney's Office for the Southern District of New York (SDNY), and HUD signed an Agreement that committed NYCHA to specific deadlines for addressing deficiencies with respect to lead-based paint, mold, heating, elevators, pests, waste management, and inspections. As part of the Agreement, the City committed an additional \$2.2 billion in City capital to NYCHA through 2028, and the City later committed another \$1.4 billion in funds through 2035. The City is committed to providing an additional \$200 million a year for the duration of the Agreement. The Agreement can only be terminated if HUD, after consultation with SDNY and the U.S. Environmental Protection Agency, determines that NYCHA has been in substantial compliance with its obligations outlined in the Agreement for at least the prior twelve months.

In 2021, the City and NYCHA finalized a spending plan – known as the City Capital Action Plan – for the first 10 years of funding provided through the Agreement (totaling \$2.2 billion). NYCHA's Federal Monitor, installed as part of the Agreement, approved this plan in May 2021, after consulting with HUD and SDNY.

Financial Review

The City provides ongoing operating support to NYCHA out of the Department of Housing Preservation and Development (HPD)'s expense budget through a combination of city tax levy revenue and Federal grants. In 2027, funding support to NYCHA flowing through the City's budget will total \$393.4 million, including \$380.4 million in city tax levy funding and another \$13 million from other sources. The City's funding covers both broad support to the Authority, such as the cost of prior collective bargaining adjustments, and discrete initiatives, such as rehabbing vacant units upon turnover. NYCHA also receives substantial federal

resources directly from HUD that do not flow through the City's budget and are not reflected here.

Expense Budget Highlights

The expense highlights in this section cover City support to NYCHA through HPD's expense budget and foregone payments to the City.

- In 2027, the City allocated \$326.7 million to cover the costs of collective bargaining adjustments for settled unions. This funding is equal to the sum of all previous annual collective bargaining adjustments added to the City budget for NYCHA

through the 2010-2017, 2017-2021 and 2021-2025 rounds of bargaining.

- Through a partnership between the Human Resources Administration, the Department of Homeless Services (DHS), and NYCHA, the City covers the cost of rehabbing vacant NYCHA units when a tenant moves out to expedite the preparation of that unit for new tenants. The City allocated \$34.6 million in 2027 for this program. An additional \$90 million in capital funds are available to support this initiative in 2027. NYCHA sets aside a number of units each year to house families referred by DHS who are experiencing homelessness to help reduce the shelter census population.
- Starting in 2014, the City has foregone NYCHA’s payment to the New York City Police Department

(NYPD) for police operations in and around NYCHA developments. Since 2015, the City similarly has foregone NYCHA’s payment in-lieu of taxes obligation to the City. Both eliminations ease NYCHA’s operating budget at a projected impact to the City of \$105 million annually. This consists of \$72 million for the elimination of NYCHA’s payments to the NYPD for policing services at NYCHA developments and \$33 million for the elimination of NYCHA’s payment in lieu of taxes for NYCHA properties.

- In 2027, the City allocated \$12.4 million of its Federal Community Development Block Grant (CDBG) and CDBG Disaster Recovery allocation to NYCHA to address rehabilitation projects and other needs at various developments.

Capital Review

Capital in NYCHA’s Budget

The City’s 2027-2030 Four-Year Capital Commitment Plan totals \$1.6 billion in City capital funding for NYCHA. NYCHA will use its City resources to target its most essential work: bringing its public housing stock to a state of good repair and making progress towards the requirements of the Executed Agreement. NYCHA will also leverage funding from their annual Federal capital allocations from HUD as well as State appropriations for heating and elevator work to address the \$78.3 billion need of their entire capital stock. The City’s 2027-2030 Four-Year Capital Commitment Plan for NYCHA includes the following key elements:

- Funding of \$927.8 million to directly help NYCHA meet their obligations under the 2019 Executed Agreement. NYCHA will use these funds to address physical conditions in developments that pertain to lead, mold, waste, heating, or elevator outages – the primary public health issue areas covered by the Agreement.
- Funding of \$79.4 million to continue to replace or repair roofs on NYCHA buildings.
- Funding of \$543.1 million for all other general construction projects at NYCHA, which include infrastructure improvements, system enhancements, repairs to residential units and common areas, and other construction projects.

The table below outlines the City’s capital commitments to NYCHA for the current year (2026), the Four-Year Plan period of 2027-2030, as well as actual commitments in 2025:

**Capital Commitments
(\$ in 000’s)**

	2025 Actual		2026 Plan		2027 Plan		2028 Plan		2029 Plan		2030 Plan	
	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds	City Funds	All Funds
Executed Agreement.....	\$377,486	\$377,486	\$584,729	\$584,729	\$447,417	\$447,417	\$47,187	\$47,187	\$215,422	\$215,422	\$217,738	\$217,738
Roofs.....	\$2,169	\$2,169	\$286,043	\$286,043	\$79,414	\$79,414	\$-	\$-	\$-	\$-	\$-	\$-
General Construction.....	\$213,462	\$213,433	\$431,705	\$431,705	\$313,979	\$313,979	\$162,750	\$162,750	\$66,000	\$66,000	\$324	\$324
Total.....	\$593,117	\$593,088	\$1,302,477	\$1,302,477	\$840,810	\$840,810	\$209,937	\$209,937	\$281,422	\$281,422	\$218,062	\$218,062

**The All Funds total for 2025 is lower than the City Funds total due to de-registrations of Hurricane Sandy Disaster Relief funding for completed projects.*

Capital Outside NYCHA's Budget

In addition to the City capital support outlined above, the City also provides support to NYCHA through HPD's capital budget for the conversion of NYCHA developments through the PACT program, which utilizes HUD's RAD program, as well as the New York City Public Housing Preservation Trust (Trust) program, which similarly utilizes HUD's Section 8 conversion mechanisms.

Under the PACT program, NYCHA buildings convert from traditional Section 9-funded public housing to the Project-Based Section 8 program. Through these conversions, NYCHA partners with private and non-profit development teams to leverage the federally backed income stream from Project-Based Section 8 vouchers to secure and support financing to fund comprehensive repairs at certain NYCHA developments. NYCHA continues to own the land and the buildings themselves. Through these transactions, NYCHA enters into a long-term lease agreement with selected PACT partners, comprised of developers, property managers, general contractors, and social services providers. PACT partners are required to make comprehensive capital repairs and oversee the day-to-day maintenance and upkeep of the buildings and grounds. Partnerships with social service providers help improve on-site services and programming through input from residents.

Under the Trust program, NYCHA buildings convert from traditional Federal Section 9-funded public housing to the Project-Based Section 8 program.

Through these conversions, NYCHA partners with the Trust, a New York State-created public benefit corporation, to leverage the federally backed income stream from Project-Based Section 8 vouchers to secure and support financing to fund comprehensive repairs at certain NYCHA developments. Through these transactions, NYCHA enters into a long-term lease agreement with the Trust, and NYCHA remains the property manager of the developments.

- Funding of \$1.5 billion in the 2027-2030 Four-Year Plan is included in HPD's capital budget to support the City's goal to convert approximately 62,000 units from traditional Section 9 public housing to Section 8 rental assistance vouchers through the PACT program. Funding will also support conversions through the Trust program. To date, 31,472 units across 174 developments have converted through PACT, with an additional 14,222 projected to convert in the coming years. Additionally, 1,776 units across four developments are projected to convert through the Trust in the coming years. In addition to the City's support, NYCHA will leverage private and public funding sources to undertake comprehensive capital repairs at the PACT and Trust converting developments. The conversion of units under PACT and Trust will primarily be supported by Housing Development Corporation debt, Federal and State historic tax credits, City capital subsidy, and PACT partner equity, among other sources.

Appendix

EXHIBIT 1 EXPENDITURE ASSUMPTIONS

Personal Services

The estimates for Personal Services over the five-year period of the plan are as follows:

	(\$ in Millions)				
	2026	2027	2028	2029	2030
Salaries and Wages	\$34,790	\$35,342	\$35,801	\$36,352	\$36,650
Pensions	9,848	8,759	9,841	9,403	8,822
Other Fringe Benefits	15,465	16,006	16,793	17,526	18,371
Reserve for Collective Bargaining	295	604	1,780	2,403	3,183
Total	<u>\$60,398</u>	<u>\$60,711</u>	<u>\$64,215</u>	<u>\$65,684</u>	<u>\$67,026</u>

Salaries and Wages

The projections for salaries and wages reflect personnel costs associated with current and projected headcount levels and also includes recognized needs and any wage adjustments from rounds of collective bargaining that have been implemented.

Pensions and Other Fringe Benefits

The pension expenses in the financial plan reflect actuarial estimates of the City's five major retirement systems. These estimates were prepared by the Office of the Actuary using funding assumptions and methods developed in 2021, including the use of an actuarial interest rate assumption of seven percent per annum and updated (MP-2020) mortality tables.

The Actuary's estimates reflect the projected pension costs for wage increases associated with the most recent round of collective bargaining. In addition, adjustments are made in the financial plan to account for the costs of headcount changes and recent pension benefit enhancements. Other adjustments are made for the projected yearly change in administrative expenses of the retirement systems. The financial plan also captures the impact of investment gains and losses through 2025, including the most recent gain of 10.3% in 2025.

The financial plan also reflects savings associated with a City proposal to restructure and stretch out the payment schedule for amortizing Unfunded Accrued Liabilities (UALs) for certain retirement systems. UALs are established when actual experience is worse than expected as compared to the actuarial assumptions used by the Actuary. Such unexpected liabilities are valued by the Actuary as they arise and are paid off over time via statutory amortization schedules. The original UAL amortization schedule was established in 2010, with the first payment commencing in 2012; spanning 22 years and concluding in 2032. Including 2026, there are seven remaining payments. Subsequent UALs that arose after 2010 are being amortized over various unique time periods but are layered on top of the original schedule, either increasing or decreasing total required payments. Our proposal is to restructure and extend the current remaining 7-year amortization schedule by an additional 5 years, using "level-dollar" payments beyond 2026. The City would realize savings of \$652 million in 2026, and \$1,644 million in 2027 from this proposal, and the pension systems will still achieve full funding levels by 2037 if future experience meets all actuarial assumptions.

Finally, the financial plan also includes an annual reserve of \$279 million, commencing in 2028, to fund the costs of potential changes that could arise from audit recommendations.

Total pension expenses for the financial plan are shown below:

Total Pension Expenses					
(\$ in Millions)					
	2026	2027	2028	2029	2030
City Actuarial Systems	\$9,732	\$8,635	\$9,720	\$9,277	\$8,693
Non-City Systems	116	124	120	125	129
Non-Actuarial*	—	—	—	—	—
Total**	\$9,848	\$8,759	\$9,841	\$9,403	\$8,822

* Non-Actuarial expenses are \$350,000 rounded to zero.

** Numbers may not add due to rounding.

Other fringe benefits include primarily Social Security, Unemployment Insurance, Workers' Compensation and Health Insurance. Expenditures on fringe benefits include adjustments for the expected changes in the City's planned headcount levels. The Social Security expense estimates reflect the tax rates and earnings caps as issued by the Social Security Administration. In Calendar 2026, the combined tax rate is 7.65%. The OASDI tax portion of 6.20% is applied to covered earnings capped at \$184,500, while the Medicare tax portion of 1.45% is applied to all covered earnings. Unemployment Insurance expense estimates are consistent with the statutory weekly benefit levels and planned payroll levels. Workers' Compensation expense estimates are consistent with the compensation rate schedules mandated by state law, and the projected growth in medical costs. Health insurance expense estimates reflect current City enrollment and premium data available from the City's health insurance providers.

Reserve for Collective Bargaining

The reserve for collective bargaining contains undistributed funding for the cost of wage increases for applicable city workers. Approximately 98% of the City's unionized workforce has settled contracts based on the five-year pattern framework of 16.26% for civilians and 18.98% for uniformed employees. The reserve also contains the unallocated portion of Equity funding for a handful of groups and District Council 37's Additional Compensation Fund. Furthermore, the Labor Reserve reflects funding for prevailing wage risks for relevant skilled trades titles and contains funding sufficient for 1.25% annual wage increases for the entire workforce beyond the current round of bargaining.

Other Than Personal Services

The following items are included in this category:

	(\$ in Millions)				
	2026	2027	2028	2029	2030
Administrative OTPS	\$42,617	\$39,999	\$41,285	\$41,673	\$42,553
Public Assistance	2,762	2,708	2,707	2,707	2,707
Medical Assistance	6,762	6,790	6,940	7,090	7,240
Health + Hospitals	1,969	1,746	1,782	1,784	1,786
Covered Agency Support & Other Subsidies	6,713	6,369	6,521	6,578	6,745
City Debt Service*	8,282	9,535	10,632	11,720	12,542
Prepayment Adjustments	(2,724)	(1,063)	—	—	—
Capital Stabilization Reserve	—	—	250	250	250
General Reserve	—	100	1,200	1,200	1,200
Total	\$66,381	\$66,184	\$71,317	\$73,002	\$75,023

* Numbers adjusted for prepayments.

Administrative OTPS

The estimates in this category include expenditures in the baseline. For 2028 through 2030, most expenditures have been increased to reflect the effect of inflation. Baseline costs for energy and lease requirements are shown in the appropriate operating agency.

Energy

The financial plan includes a Citywide appropriation to provide for the changing cost of energy for 2026 through 2030. Energy costs in each agency, with the exception of HPD, are held constant for 2027 through 2030.

Energy costs are expected to increase by \$289 million from 2026 to 2030 primarily due to fluctuating commodity prices and increased delivery rates. Gasoline and fuel oil costs are expected to increase by \$26 million from 2026 to 2030. Heat, light and power costs are expected to increase by \$264 million between 2026 and 2030.

	Energy Costs (\$ in Millions)				
	2026	2027	2028	2029	2030
Gasoline	\$125	\$141	\$130	\$129	\$134
Fuel Oil	90	112	105	105	107
HPD-AEP/Utilities	4	3	3	3	3
Heat, Light and Power	1,113	1,283	1,296	1,345	1,377
Total	\$1,332	\$1,539	\$1,534	\$1,582	\$1,621

Leases

In each agency, the cost of leases is budgeted at a constant level from 2027 through 2030. A citywide adjustment for 2028 through 2030 provides for the increasing cost of leases based on a three percent annual inflator as well as known future leases, where applicable.

In total, the four-year plan includes \$1.776 billion for leases in 2027, \$1.829 billion in 2028, \$1.884 billion in 2029 and \$1.941 billion in 2030. Of these amounts, the citywide adjustment is \$53 million, \$108 million, and \$165 million respectively in 2028 through 2030.

Public Assistance

The financial plan supports the current Public Assistance caseload, which was 583,174 unduplicated recipients as of March 2026.

Medical Assistance

The financial plan for Medical Assistance funds Medicaid expenditures for 3.6 million New York City recipients. The City's share of total Medicaid expenditures was capped as a result of the 2005-2006 and 2012-2013 State Budgets. In 2027, the City anticipates a budget of \$6.8 billion for Medical Assistance.

Health + Hospitals

The City's support for Health + Hospitals reflects funding for the provision of healthcare to persons incarcerated in NYC jails, the administration of the HERRC program, as well as other City services. Support also includes collective bargaining costs for applicable unions that have reached agreements with the City. In 2027, the City anticipates a budget of \$1.7 billion for Health + Hospitals.

Covered Agency Support and Other Subsidies

Included in this category are the contributions made by the City to the Transit Authority, Housing Authority, Libraries and various Cultural Institutions. Also included in this category are the estimated projections for the cost of Judgments and Claims.

General Reserve

The General Reserve is projected at \$100 million for 2027 and \$1.2 billion for 2028 through 2030 to provide for uncontrollable increases in expenditures as well as shortfalls in revenue. The General Reserve for 2027 through 2030 is above the required amount as per the City Charter to allow for any further uncertainties that may occur in the future.

Capital Stabilization Reserve

The financial plan includes a capital stabilization reserve of \$250 million in fiscal years 2028 through 2030, for a total of \$750 million.

Debt Service

Debt Service projections cover payments of debt service on currently outstanding City, TFA, and Conduit debt as well as future issuances in accordance with the 2026 through 2030 financing program (See Financing Program). Actual debt service payments in these years will be affected by the timing of bond sales and by market conditions. Estimates of City and TFA debt service costs on debt to be issued are based on estimates of the periods of probable usefulness of the capital assets for which the debt will be issued.

A Budget Stabilization Account has been established for the prepayment of future years' debt service costs. Funding of \$1.063 billion in 2026 has been provided for this purpose.

Below are the detailed estimates for debt service for 2026 through 2030 after prepayments:

(\$ in Millions)

	Long Term	Short Term	Lease Purchase	Budget Stabilization*	Total City and Lease	TFA	Prepayment Adjustment	Total City, Lease and TFA
2026	\$3,066	\$—	\$85	\$1,063	\$4,214	\$1,344	\$2,724	\$8,282
2027	4,946	—	108	—	\$5,054	3,418	1,063	\$9,535
2028	5,492	—	103	—	\$5,595	5,037	—	\$10,632
2029	6,068	—	112	—	\$6,180	5,540	—	\$11,720
2030	6,342	—	95	—	\$6,437	6,105	—	\$12,542

* Amounts in the Budget Stabilization Account are used to prepay the succeeding year's debt service.

EXHIBIT 2

**FISCAL YEAR 2027 EXECUTIVE BUDGET AND PROJECTIONS,
FISCAL YEAR 2028 THROUGH FISCAL YEAR 2030**

(\$ in thousands)

Dept. No.	Agency	Fiscal Year 2026							
		FY 2025	8 Month		FY 2027	FY 2028	FY 2029	FY 2030	
		Actual Expenditures	Executive Budget	Actuals July - Feb.	Forecast	Executive Budget	Estimate	Estimate	Estimate
002	Mayoralty.....	\$166,956	\$192,994	\$113,738	\$188,222	\$199,359	\$195,637	\$193,060	\$193,060
003	Board of Elections.....	273,357	146,875	171,503	273,814	206,973	149,873	149,873	149,873
004	Campaign Finance Board.....	144,892	109,481	90,652	113,881	104,093	13,751	13,751	13,751
008	Office of the Actuary.....	6,926	7,614	4,784	7,635	8,484	8,484	8,484	8,484
010	President,Borough of Manhattan.....	6,217	6,018	3,647	6,324	6,079	5,650	5,650	5,650
011	President,Borough of the Bronx.....	6,533	7,025	4,135	7,392	7,099	6,547	6,547	6,547
012	President,Borough of Brooklyn.....	7,925	7,736	4,686	8,122	7,885	7,009	7,009	7,009
013	President,Borough of Queens.....	6,727	6,684	4,111	8,159	6,774	5,922	5,922	5,922
014	President,Borough of S.I.....	5,204	5,207	2,007	5,470	5,248	4,957	4,957	4,957
015	Office of the Comptroller.....	115,173	127,029	81,516	130,220	130,503	130,952	130,719	130,719
017	Dept. of Emergency Management....	105,392	109,371	55,545	86,817	46,237	44,052	42,282	39,866
021	Office of Admin. Tax Appeals.....	5,459	6,092	3,644	6,193	6,200	6,200	6,200	6,200
025	Law Department.....	336,264	259,858	207,305	332,412	346,792	351,672	351,672	351,672
030	Department of City Planning.....	49,141	53,445	36,184	54,450	58,585	55,669	54,290	54,055
032	Department of Investigation.....	57,731	55,874	49,476	65,597	53,720	50,684	50,124	50,124
035	NY Public Library - Research.....	35,836	35,699	34,957	37,991	38,390	38,408	38,408	38,408
037	New York Public Library.....	185,734	181,164	185,391	193,593	191,998	192,074	192,074	192,074
038	Brooklyn Public Library.....	141,442	137,961	94,527	147,982	145,869	146,134	146,134	146,134
039	Queens Borough Public Library.....	144,558	141,936	97,365	151,490	150,372	150,445	150,445	150,445
040	Department of Education.....	34,672,331	34,358,978	23,461,293	37,629,616	37,924,038	39,233,943	39,601,582	40,170,301
042	City University.....	1,409,037	1,482,900	789,685	1,619,674	1,571,446	1,598,366	1,616,921	1,634,638
054	Civilian Complaint Review Bd.....	27,312	29,168	18,663	29,414	32,546	32,546	32,546	32,546
056	Police Department.....	6,870,190	6,141,949	4,412,767	6,894,952	6,586,344	6,765,453	6,754,865	6,754,978
057	Fire Department.....	2,843,793	2,619,747	1,822,556	2,835,019	2,669,565	2,648,963	2,644,350	2,646,850
058	Office of Community Safety.....	—	—	—	—	2,918	269,645	269,645	269,645
063	Dept. of Veterans' Services.....	6,125	6,914	3,359	7,603	6,613	6,549	6,549	6,549
068	Admin. for Children Services.....	3,949,112	2,909,913	3,011,795	4,421,517	3,514,560	3,539,588	3,539,593	3,540,805
069	Department of Social Services.....	13,167,353	11,739,719	10,196,424	14,690,212	14,599,086	15,133,019	15,652,049	16,182,402
071	Dept. of Homeless Services.....	4,306,362	3,447,203	3,454,533	4,552,497	4,216,473	3,944,662	3,963,819	3,993,759
072	Department of Correction.....	1,356,247	1,212,449	865,351	1,380,443	1,258,999	1,346,833	1,345,985	1,344,597
073	Board of Correction.....	3,166	3,999	2,170	3,938	3,595	3,595	3,595	3,595
095	Citywide Pension Contributions.....	10,027,901	10,469,724	6,970,762	9,848,195	8,759,415	9,841,010	9,402,880	8,822,342
098	Miscellaneous.....	13,612,897	14,653,984	5,856,004	14,751,917	15,255,768	17,418,000	18,763,745	20,457,183
099	Debt Service.....	7,005,661	5,791,033	2,553,096	5,557,887	8,471,683	10,631,943	11,719,744	12,541,940
101	Public Advocate.....	5,516	5,543	3,229	5,817	5,572	5,572	5,572	5,572
102	City Council.....	102,070	115,050	80,761	115,050	127,062	95,635	95,635	95,635
103	City Clerk.....	6,724	5,733	6,338	8,805	6,016	6,016	6,016	6,016
125	Department for the Aging.....	557,095	554,443	438,676	619,119	577,049	575,902	575,310	575,310
126	Department of Cultural Affairs.....	257,369	215,102	187,364	299,235	239,648	239,696	239,666	239,666
127	Financial Info. Serv. Agency.....	121,393	122,931	94,644	127,300	125,055	122,844	122,844	123,046
128	Office of Criminal Justice.....	963,100	844,897	824,206	1,050,061	884,979	850,649	851,075	869,631
131	Office of Payroll Admin.....	18,084	17,574	12,083	18,980	17,151	17,125	17,125	17,125
132	Independent Budget Office.....	7,572	8,206	5,328	8,291	8,446	8,539	8,266	8,266
133	Equal Employment Practices Com...	1,205	1,606	835	1,426	1,608	1,608	1,608	1,608
134	Civil Service Commission.....	1,137	1,217	766	1,217	1,217	1,217	1,217	1,217
136	Landmarks Preservation Comm.....	7,708	8,144	5,174	8,977	8,113	8,113	8,113	8,113

EXHIBIT 2

**FISCAL YEAR 2027 EXECUTIVE BUDGET AND PROJECTIONS,
FISCAL YEAR 2028 THROUGH FISCAL YEAR 2030**

(\$ in thousands)

Dept. No.	Agency	Fiscal Year 2026							
		FY 2025	8 Month		FY 2027	FY 2028	FY 2029	FY 2030	
		Actual Expenditures	Executive Budget	Actuals July - Feb.	Forecast	Executive Budget	Estimate	Estimate	Estimate
156	Taxi & Limousine Commission.....	\$53,709	\$58,134	\$38,068	\$62,406	\$69,641	\$69,001	\$57,176	\$57,271
213	Office of Racial Equity.....	2,568	8,967	2,363	5,321	9,572	9,572	9,572	9,572
215	Commission on Racial Equity.....	1,670	4,828	1,925	5,038	4,627	2,827	2,827	2,827
226	Commission on Human Rights.....	12,254	14,945	7,956	13,769	13,397	13,397	13,397	13,397
260	Youth & Community Development..	1,349,303	1,303,693	1,271,309	1,537,313	1,619,395	1,506,100	1,502,097	1,502,097
312	Conflicts of Interest Board.....	2,783	2,860	1,795	2,860	3,011	3,011	3,011	3,011
313	Office of Collective Barg.....	2,712	2,825	1,842	2,787	2,825	2,825	2,825	2,825
499	Community Boards (All).....	19,111	21,973	13,039	22,804	22,123	22,123	22,123	22,123
781	Department of Probation.....	112,940	115,423	74,375	117,623	105,561	105,972	105,972	105,972
801	Dept. Small Business Services.....	276,981	227,090	192,248	354,129	226,181	230,354	226,320	186,482
806	Housing Preservation & Dev.....	1,978,462	1,556,721	1,506,854	2,064,949	1,539,005	1,496,076	1,489,858	1,486,572
810	Department of Buildings.....	179,537	226,643	129,182	216,515	224,877	210,986	207,923	207,923
816	Dept Health & Mental Hygiene.....	2,452,161	2,313,108	1,979,629	2,899,712	2,643,560	2,630,753	2,645,729	2,665,345
819	Health and Hospitals Corp.....	3,351,129	1,702,488	1,568,616	1,969,202	1,746,334	1,782,025	1,784,119	1,785,615
820	Office Admin Trials & Hearings.....	71,644	80,878	51,305	76,938	82,469	81,503	81,511	81,519
826	Dept of Environmental Prot.....	1,678,067	1,740,849	1,178,026	1,920,199	1,816,381	1,785,751	1,780,225	1,777,555
827	Department of Sanitation.....	2,057,940	1,972,513	1,670,727	2,360,062	2,111,383	2,179,745	2,214,928	2,312,208
829	Business Integrity Commission.....	8,531	8,725	6,417	9,184	8,841	8,836	8,836	8,836
836	Department of Finance.....	351,491	365,208	261,420	378,410	373,851	374,697	376,212	376,059
841	Department of Transportation.....	1,565,367	1,500,186	1,111,265	1,600,702	1,635,217	1,649,037	1,663,043	1,666,161
846	Dept of Parks and Recreation.....	650,778	667,252	434,318	725,079	685,372	680,757	680,666	680,666
850	Dept. of Design & Construction.....	162,205	164,029	110,363	178,156	163,989	163,989	163,989	163,989
856	Dept of Citywide Admin Srvces.....	1,987,500	1,772,205	1,383,525	1,984,381	1,980,407	1,974,103	1,974,482	1,973,713
858	D.O.I.T.T.....	922,302	839,884	667,915	986,767	754,058	743,666	745,646	745,776
860	Dept of Records & Info Serv.....	14,527	15,233	12,646	16,527	16,953	16,953	16,953	16,953
866	Dept. Cnsmr. & Wkr. Prot.....	65,998	75,126	55,023	84,459	78,446	88,041	94,883	96,587
901	District Attorney - N.Y.....	195,271	176,963	140,589	228,933	179,851	179,993	180,048	180,048
902	District Attorney - Bronx.....	134,750	124,185	98,284	161,985	143,689	145,618	145,618	145,618
903	District Attorney - Kings.....	168,382	151,758	118,906	203,106	166,782	167,010	167,405	167,405
904	District Attorney - Queens.....	120,186	106,281	88,245	127,901	108,570	108,512	108,524	108,524
905	District Attorney - Richmond.....	29,890	25,899	20,770	32,865	26,924	26,954	26,979	26,979
906	Off. of Prosec. & Spec. Narc.....	31,438	31,695	18,872	31,694	31,715	31,723	31,723	31,723
941	Public Administrator - N.Y.....	1,232	1,320	662	1,225	1,226	1,226	1,226	1,226
942	Public Administrator - Bronx.....	672	883	723	1,099	896	896	896	896
943	Public Administrator- Brooklyn.....	1,106	1,136	742	1,167	1,163	1,176	1,176	1,176
944	Public Administrator - Queens.....	662	695	426	695	702	702	702	702
945	Public Administrator - Richmond...	636	649	403	719	658	658	658	658
	Prior Payable Adjustment.....	(2,772,992)	—	—	(1,709,000)	(400,000)	—	—	—
	General Reserve.....	—	1,200,000	—	—	100,000	1,200,000	1,200,000	1,200,000
	Citywide Savings Initiatives.....	—	—	—	(212,000)	—	(178,957)	(124,058)	(89,290)
	Energy Adjustment.....	—	—	—	—	—	(4,669)	43,155	82,619
	Lease Adjustment.....	—	—	—	—	—	53,285	108,168	164,698
	OTPS Inflation Adjustment.....	—	—	—	—	—	55,519	111,038	166,557
LESS: INTRA-CITY EXPENDITURES...		2,256,166	1,884,388	398,845	2,384,903	2,194,877	2,137,273	2,129,307	2,126,930
NET TOTAL EXPENDITURES.....		\$118,094,664	\$115,065,051	\$80,144,963	\$124,393,704	\$124,700,400	\$133,395,624	\$136,556,190	\$139,921,948

EXHIBIT 3

ACTUAL REVENUE
(\$ in Millions)

	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
Taxes:				
Real Property	\$29,582	\$31,645	\$32,987	\$34,757
Personal Income.....	16,698	17,183	15,671	18,422
General Corporation	5,681	6,010	6,891	6,880
Banking Corporation.....	1	(36)	(4)	3
Unincorporated Business	2,547	2,545	2,789	3,384
Sales and Use.....	8,544	9,540	9,914	10,348
Commercial Rent	876	910	918	943
Real Property Transfer.....	1,903	1,277	1,130	1,249
Mortgage Recording	1,336	898	597	773
Utility	396	420	409	464
Cigarette.....	19	16	13	12
Cannabis Tax.....	—	1	4	18
Hotel.....	345	645	706	770
All Other	820	1,046	1,184	1,350
Tax Audit Revenue.....	849	1,337	968	942
Total Taxes.....	69,597	73,437	74,177	80,315
Miscellaneous Revenues:				
Licenses, Franchises, Etc.....	651	763	716	737
Interest Income	16	508	696	641
Charges for Services	850	848	899	1,049
Water and Sewer Charges.....	1,575	1,710	1,953	2,162
Rental Income.....	249	266	283	278
Fines and Forfeitures	1,231	1,455	1,367	1,425
Miscellaneous	441	433	489	404
Intra-City Revenue.....	2,220	2,348	2,360	2,256
Total Miscellaneous.....	7,233	8,331	8,763	8,952
Unrestricted Intergovernmental Aid:				
Other Federal and State Aid	498	186	41	53
Total Unrestricted Intergovernmental Aid.....	498	186	41	53
Provision for Disallowance of Categorical Grants	(35)	(13)	(13)	(7)
Less Intra-City Revenue	(2,220)	(2,348)	(2,360)	(2,256)
Sub Total City Funds.....	75,073	79,593	80,608	87,057
Other Categorical Grants	885	1,054	1,203	1,002
Transfers from Capital Fund:				
Inter Fund Agreements	655	699	742	776
Total City Funds & Inter Fund & Other Categorical Revenues	76,613	81,346	82,553	88,835
Federal Grants and Contracts Categorical:				
Community Development.....	281	349	299	135
Social Services.....	2,426	3,080	3,529	3,927
Education	4,899	3,970	4,357	2,309
Other	7,595	2,740	3,212	2,872
Total Federal Grants and Contracts Categorical.....	15,201	10,139	11,397	9,243
State Grants and Contracts Categorical:				
Social Services.....	1,729	2,218	3,254	2,998
Education	11,943	12,353	12,930	13,606
Higher Education	238	245	259	272
Department of Health and Mental Hygiene.....	421	511	557	605
Other	1,516	1,743	2,231	2,541
Total State Grants and Contracts Categorical.....	15,847	17,070	19,231	20,022
Total Revenues.....	\$107,661	\$108,555	\$113,181	\$118,100

EXHIBIT 4
REVENUE ESTIMATES
(\$ in Millions)

	Fiscal Year 2026 8 Months Actuals	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030
Taxes:						
Real Property	\$32,785	\$35,536	\$37,200	\$37,882	\$39,057	\$40,440
Personal Income.....	12,574	20,433	20,744	21,227	21,375	21,844
General Corporation.....	2,875	6,449	7,286	7,097	6,513	6,584
Banking Corporation.....	3	—	—	—	—	—
Unincorporated Business	1,797	3,714	3,855	3,942	4,061	4,192
Sale and Use.....	7,017	10,868	11,358	11,894	12,499	12,911
Commercial Rent	464	950	974	989	1,000	1,015
Real Property Transfer.....	1,050	1,448	1,514	1,583	1,640	1,686
Mortgage Recording	654	962	1,061	1,104	1,136	1,162
Utility	292	517	562	580	599	618
Cigarette	7	12	12	12	12	12
Cannabis Tax.....	12	25	32	39	41	42
Hotel.....	437	813	843	879	906	932
All Other	851	1,383	1,247	1,259	1,275	1,283
Tax Audit Revenue.....	640	1,059	929	879	879	879
City Tax Programs	—	147	654	611	493	492
State Tax Relief Program - STAR	105	105	103	101	99	99
Total Taxes	61,563	84,421	88,374	90,078	91,585	94,191
Miscellaneous Revenue:						
Licenses, Franchises, Etc.	551	792	722	723	730	730
Interest Income.....	282	391	302	278	272	274
Charges for Services	620	1,074	1,045	1,046	1,045	1,045
Water and Sewer Charges	2,322	2,318	2,393	2,409	2,432	2,457
Rental Income	174	286	284	256	257	256
Fines and Forfeitures	970	1,414	1,324	1,310	1,316	1,316
Miscellaneous.....	240	393	300	295	312	312
Intra-City Revenue.....	399	2,385	2,195	2,137	2,129	2,127
Total Miscellaneous	5,558	9,053	8,565	8,454	8,493	8,517
Unrestricted Intergovernmental Aid:						
Other Federal & State Aid	5	619	161	161	161	161
Total Unrestricted Intergovernmental Aid	5	619	161	161	161	161
Reserve for Disallowance of Categorical Grants	—	(15)	(15)	(15)	(15)	(15)
Less: Intra-City Revenue	(399)	(2,385)	(2,195)	(2,137)	(2,129)	(2,127)
Sub Total City Funds	66,727	91,693	94,890	96,541	98,095	100,727
Other Categorical Grants	160	1,192	1,131	867	864	864
Inter Fund Agreements.....	267	805	814	810	813	814
Total City Funds & Inter Fund & Other Categorical Revenues.....	\$67,154	\$93,690	\$96,835	\$98,218	\$99,772	\$102,405

EXHIBIT 4
REVENUE ESTIMATES
(\$ in Millions)

	Fiscal Year 2026 8 Months Actuals	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030
Federal Grants and						
Contracts Categorical:						
Community Development.....	\$120	\$415	\$252	\$250	\$248	\$243
Social Services.....	1,843	4,705	3,671	3,593	3,583	3,577
Education	327	2,195	1,901	1,901	1,901	1,900
Other.....	928	2,585	1,457	1,377	1,364	1,363
Total Federal Grants and Contracts Categorical	3,218	9,900	7,281	7,121	7,096	7,083
State Grants and						
Contracts Categorical:						
Social Services	840	2,806	2,520	2,519	2,506	2,506
Education	3,726	14,401	15,083	15,435	15,011	15,010
Higher Education	57	304	304	304	304	304
Department of Health and Mental Hygiene.....	389	842	753	753	753	753
Other.....	270	2,451	1,924	1,972	2,038	2,109
Total State Grants and Contracts Categorical.....	5,282	20,804	20,584	20,983	20,612	20,682
TOTAL REVENUE	\$75,654	\$124,394	\$124,700	\$126,322	\$127,480	\$130,170

EXHIBIT 5
FULL-TIME and PART-TIME POSITIONS (FTEs)

		6/30/2027		6/30/2028		6/30/2029		6/30/2030	
		Total	City	Total	City	Total	City	Total	City
MAYORAL AGENCIES AND ELECTED OFFICIALS:									
<i>Uniformed Forces:</i>									
Police	-Uniform	35,370	35,366	35,555	35,551	35,555	35,551	35,555	35,551
	-Civilian	14,892	14,884	14,892	14,884	14,892	14,884	14,892	14,884
Fire	-Uniform	11,294	11,284	11,294	11,284	11,294	11,284	11,294	11,284
	-Civilian	6,466	6,356	6,482	6,372	6,458	6,380	6,458	6,380
Correction	-Uniform	6,474	6,474	6,474	6,474	6,474	6,474	6,474	6,474
	-Civilian	1,840	1,833	1,835	1,835	1,835	1,835	1,835	1,835
Sanitation	-Uniform	8,080	8,080	8,226	8,226	8,414	8,414	8,604	8,604
	-Civilian	1,973	1,915	1,984	1,926	1,999	1,941	2,021	1,963
	<i>Subtotal</i>	<u>86,389</u>	<u>86,192</u>	<u>86,742</u>	<u>86,552</u>	<u>86,921</u>	<u>86,763</u>	<u>87,133</u>	<u>86,975</u>
<i>Health and Welfare:</i>									
	Admin. for Children's Services	7,056	6,279	7,056	6,279	7,056	6,279	7,056	6,279
	Social Services	12,451	9,842	12,381	9,772	12,381	9,772	12,381	9,772
	Homeless Services	1,935	1,934	1,934	1,934	1,934	1,934	1,934	1,934
	Health & Mental Hygiene	7,429	5,847	7,375	5,836	7,396	5,861	7,414	5,880
	<i>Subtotal</i>	<u>28,871</u>	<u>23,902</u>	<u>28,746</u>	<u>23,821</u>	<u>28,767</u>	<u>23,846</u>	<u>28,785</u>	<u>23,865</u>
<i>Other Agencies:</i>									
	Housing Preservation and Development	2,895	1,004	2,892	1,006	2,890	1,007	2,886	1,007
	Environmental Protection	6,609	425	6,609	425	6,608	425	6,604	425
	Finance	2,064	2,052	2,069	2,057	2,068	2,056	2,067	2,055
	Transportation	6,339	3,041	6,387	3,091	6,416	3,120	6,418	3,123
	Parks	8,153	7,504	7,928	7,299	7,927	7,298	7,927	7,298
	Citywide Administrative Services	2,582	1,900	2,586	1,904	2,586	1,904	2,586	1,904
	All Other	23,550	20,670	23,401	20,531	23,388	20,547	23,380	20,543
	<i>Subtotal</i>	<u>52,192</u>	<u>36,596</u>	<u>51,872</u>	<u>36,313</u>	<u>51,883</u>	<u>36,357</u>	<u>51,868</u>	<u>36,355</u>
<i>Education:</i>									
Dept. of Education	-Pedagogical	129,373	93,585	129,416	93,628	129,416	93,628	129,416	93,628
	-Civilian	26,783	23,188	26,805	23,210	26,805	23,210	26,805	23,210
City University	-Pedagogical	6,252	6,252	6,252	6,252	6,252	6,252	6,252	6,252
	-Civilian	3,123	3,123	3,123	3,123	3,123	3,123	3,123	3,123
	<i>Subtotal</i>	<u>165,531</u>	<u>126,148</u>	<u>165,596</u>	<u>126,213</u>	<u>165,596</u>	<u>126,213</u>	<u>165,596</u>	<u>126,213</u>
Total - Mayoral Agencies and Elected Officials		<u><u>332,983</u></u>	<u><u>272,838</u></u>	<u><u>332,956</u></u>	<u><u>272,899</u></u>	<u><u>333,167</u></u>	<u><u>273,179</u></u>	<u><u>333,382</u></u>	<u><u>273,408</u></u>
COVERED ORGANIZATIONS¹:									
	Health + Hospitals	46,917	46,917	46,917	46,917	46,917	46,917	46,917	46,917
	Housing Authority	12,228	-	12,201	-	12,196	-	12,196	-
	Libraries	4,162	4,162	4,162	4,162	4,162	4,162	4,173	4,173
	Cultural Institutions ²	1,596	1,596	1,596	1,596	1,596	1,596	1,596	1,596
	School Construction Authority	1,059	1,059	1,059	1,059	1,059	1,059	1,059	1,059
<i>New York City Employees</i>									
	Retirement System	561	561	561	561	561	561	561	561
	Economic Development Corporation	622	622	622	622	622	622	622	622
	Teachers Retirement System	390	390	403	403	403	403	403	403
	Police Pension Fund	153	153	153	153	153	153	153	153
	Fire Pension Fund	57	57	57	57	57	57	57	57
	All Other ³	365	361	366	362	367	363	368	364
	Total - Covered Organizations	<u><u>68,110</u></u>	<u><u>55,878</u></u>	<u><u>68,097</u></u>	<u><u>55,892</u></u>	<u><u>68,093</u></u>	<u><u>55,893</u></u>	<u><u>68,105</u></u>	<u><u>55,905</u></u>
Grand Total		<u><u>401,093</u></u>	<u><u>328,716</u></u>	<u><u>401,053</u></u>	<u><u>328,791</u></u>	<u><u>401,260</u></u>	<u><u>329,072</u></u>	<u><u>401,487</u></u>	<u><u>329,313</u></u>

1. Includes non-city employees substantially paid by city subsidies.

2. Includes only those employees of the Cultural Institutions Group paid by city fund subsidies.

3. Includes Housing Development Corporation, Education Construction Fund, City University Construction Fund, Rent Guidelines Board and Water Finance Authority.